

Now, 'Who Will Buy From the Ugly Germans?'

By Marc Fisher
Washington Post Service
BERLIN — Germany's neo-Nazi violence is chasing away foreign investors, frightening tourists and ruining the country's image abroad, according to corporate executives and government officials.
Foreign Minister Klaus Kinkel said in a radio interview Monday that he could "only say" the picture of Germany abroad "now is devastating."
"This rioting against foreigners is disastrous, or could be disastrous," said Birgit Schutzel-Merkel, spokeswoman for the Federal Association of German Industry. "Of course, the German economy will be hurt somewhere."

"The words 'Made in Germany' are already damaged," said Peter Blume, spokesman for the German Chamber of Industry and Commerce.
Major German multinational companies have begun appealing to employees to be tolerant of co-workers who are foreigners and to get involved in demonstrations and other activities designed to show that most Germans deplore the 1,900 xenophobic attacks that have left 16 people dead this year.
The electronics company Robert Bosch sent an appeal for respect to its 177,000 workers. Daimler-Benz dispatched a management delegation to a mass pro-foreigner demonstration in Berlin. And Opel, the German subsidiary of General Motors, put up a \$65,000 reward for the arrest of the neo-Nazis who firebombed

two homes in the town of Möln last week, killing three longtime Turkish residents.
On Monday, the police arrested a 19-year-old German man suspected in the Möln attack. (Page 2)
As Germany slips into recession — Chancellor Helmut Kohl last week used the word for the first time to describe current conditions — the export-dependent country is increasingly worried about its image abroad, not only for fear that consumers will avoid German goods, but also because the country remains dependent on foreign labor.
"Who will buy from the ugly Germans?" asked a headline in the weekly Die Zeit. Hans Peter Stihl, president of the German Chamber of Industry and Commerce, said his recent discussions with foreign investors left him

with a "sobering picture" in which Germany is seen as "too expensive, too inflexible and too anti-foreigner."
Industrial leaders are stepping up efforts to remind Germans that the vibrancy of their economy is dependent on foreigners. Nine percent of Germany's gross national product is created by foreign workers. According to the German Chamber of Commerce, Germany needs 300,000 new foreign workers a year to keep factories, restaurants and other industries going.
"Germany is open to the world and is rightly proud of its good relations with people of other nationalities, cultures, skin colors and religions," said a joint declaration by several
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CIA Draft Says Iran Nears Nuclear Status Tehran Could Make Arms by 2000, Report on Military Buildup Asserts

By Elaine Sciolino
New York Times Service
WASHINGTON — A draft CIA report on Iran concludes that the country is making progress on a nuclear arms program and could develop a nuclear weapon by the year 2000, according to senior administration officials.
But the highly technical report reflects a continuing debate among intelligence experts on Iran's military buildup that will intrude on efforts by President-elect Bill Clinton to formulate his Middle East policies.
Mr. Clinton, who repeatedly criticized President George Bush for raising signs of Iraq's military buildup before President Saddam Hussein's invasion of Kuwait in August 1990, may face a parallel problem with Iran.
He will have to interpret for himself uncertain and varying analyses from intelligence experts on the same secret data on Iran, illustrating the difficulty of predicting the military capability and intentions of a government about which the United States has only limited knowledge.
U.S. intelligence analysts are divided on the issue of what Iran's \$2 billion-a-year military buildup — including its nuclear program — means, and whether Iran could replace Iraq as an aggressive, expansionist military threat in the Gulf region in the coming years.
The issue is both so important and so filled with contradictions that last week the State Department began an internal review of U.S. policy toward Iran.
In defense of its arms purchases, Iran points to Baghdad's aggression during its eight-year war with Iraq, its exclusion from regional security arrangements in the Gulf and the immutability of geography: a 1,700-kilometer (1,050-mile) border with the Central Asian republics, a 1,455-kilometer border with Iraq, a 2,530-kilometer coastline, plus borders with Afghanistan, Pakistan and Turkey.
But Iran's leaders deny interest in developing a nuclear weapon.
"We have no need for nuclear weapons," Deputy Foreign Minister Ali Mohammed Beharati was quoted as saying in Iran's official radio on Friday. He described reports that Iran was planning to acquire nuclear weapons as "a lie and a plot."
He added, "Our neighboring countries are signing military pacts with big powers one by one, and strengthening their military arsenals, so why can't we replace the weapons we lost during the eight-year imposed war?"
The draft CIA report, known as a national intelligence estimate, was written after a long debate in the intelligence agency. The report reflects views first expressed by Robert M. Gates, the director of central intelligence, in testimony before Congress in March. It is intended to be the definitive intelligence blueprint on Iran's nuclear ambitions for the Clinton administration.
But the report, which goes further than the last formal estimate on Iran, is expected to be fiercely contested when it is reviewed for approval by the other U.S. intelligence agencies this week.
The earlier report, written late last year, con-

cluded only that at least some of Iran's revolutionary leaders were intent on developing nuclear weapons, but that the program was disorganized and in an early stage of development.
The new report also draws strong conclusions about the leadership in Tehran, asserting that President Hashemi Rafsanjani has built a team of nuclear experts, many of them educated in the United States, to direct a nuclear program.
Based on their activities, as well as on Iran's nuclear research and development programs, the study concludes that there is more certainty about Iran's intentions.
Senior administration officials involved in analyzing Iran's nuclear intentions say Iran today can be compared to Iraq in the early and mid-1980s, when Mr. Saddam's desire to develop a nuclear weapon was known and he was dabbling in various nuclear technologies. But other officials disagree.
"Iran has powerful political incentives for developing nuclear weapons and is trying to develop a broad-based nuclear infrastructure that it hopes will give them the option for weapons if they decide to exercise it," an administration nuclear expert said. "But I don't see in Iran the same kind of crash nuclear program that we've learned about in Iraq."
The worst-case scenario for Iran has been articulated by Mr. Gates.
He said in an Associated Press interview published last week that Tehran could pose a threat to the United States and its allies in the Gulf within three to five years.
But Mr. Gates's projection is not wholeheartedly shared by other U.S. intelligence experts.
These analysts make the following argument: The United States was chastened by its failure to recognize Iraq's huge arms buildup, but it should avoid drawing incorrect parallels with the government in Tehran.
After all, they say, Iran's current leadership is spending much less money on its military than did the pre-revolutionary regime of Shah Mohammed Reza Pahlavi and only 40 percent of what Iraq was spending annually on weapons after the Iran-Iraq War.
These experts add that Iran has so far to go and so little money to spend that its reinforced military force might be unable to do more than to deter aggression by its neighbors. They also blame the Israeli government for fanning the recent alarm by portraying Iran as the most dangerous threat to both the region's and Israel's security.
Another example of the current dispute centers on a classified Pentagon overview of Iran's military buildup that concludes that by the end of the decade, Iran will have enough naval equipment to "dominate" the Gulf and threaten commerce through the Strait of Hormuz, according to administration officials familiar with the report.
The report, prepared by the Defense Intelligence Agency last summer, also concludes that over the next eight years, Iran will double the number of tanks and armored vehicles in its arsenal and try to service and build tanks itself.

Confidence Helps Propel A Comeback In America

By Sylvia Nasar
New York Times Service
NEW YORK — A number of U.S. business executives say a Clinton expansion may have arrived even before the president-elect moves into the White House. But they are quick to add that the pace of the economic rebound will continue to be far slower than in past recoveries and that too few jobs will be created to bring unemployment down quickly.
In interviews over the Thanksgiving Day weekend, business owners and executives said they were seeing signs of a recovery — from more classified advertising to more business travel — in their own businesses and communities. Taken together, the variety of indicators suggest that the American economy is at last turning a corner.
"It seems that this recovery is finally under way," said George N. Hatsopoulos, chief executive of Thermo Electron Corp., a maker of industrial instruments in Waltham, Massachusetts. "I believe it's going to catch on this time."
Business people say they are heartened by a surge in consumer confidence since the presidential election, by last week's surprisingly strong economic reports and by the crowds on the first days of the holiday shopping season. A consensus appeared to be emerging that holiday sales so far were up 5-to-8-percent from a year earlier.
That is not to say that good times are imminent. Indeed, business people stress that competition will remain brutal.
"It's tougher to make money whether you're a cab driver or an entrepreneur," said Jerry Della Femina, the New York advertising executive who created the Joe Isuzu ads in the 1980s and who started a restaurant, a real estate company and an ad agency this year. "Everybody's coming off the memories of the 1980s, when people made fortunes by just showing up. Now that's past."
Several executives said the election of Bill Clinton.
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5 DIE IN DERAILMENT — Rescue workers carrying out a body from the wreckage of a Dutch Intercity train that derailed on a busy commuter line on Monday in Hoofddorp, near Amsterdam. Five people were killed and 36 injured. A Dutch Railways spokeswoman said there was a slight chance more bodies would be found. The cause of the accident has not yet been determined.

Russian Court Renders Mixed Verdict on Party

By Serge Schmemmann
New York Times Service
MOSCOW — Russia's Constitutional Court concided on Monday five months of intense and sometimes emotional hearings into the legality of the Communist Party with a low-key compromise that narrowly upheld President Boris N. Yeltsin's overall ban on the party while leaving questions of its property — and its history — aside.
The 13-member court announced only a series of unadorned and uncommenced rulings on the various legal points of the case, saying that the full opinion would be available in two weeks.
But even the rulings issued Monday made clear that the decision was a far cry from the full-scale "trial" of the party that Mr. Yeltsin's supporters had demanded, or the vindication of the tarnished ideals that the Communists had hoped for. In the end, the court chose a narrow legal finding that did not fully satisfy either side but left both grumpily claiming victory.
The hearing was actually a merger of two petitions, one by the Communists seeking to overturn Mr. Yeltsin's ban on the party, and the other by the president's supporters seeking to declare the Communist Party unconstitutional and criminal.
Specifically, the court ruled that the basic ban on the Communist Party decreed by Mr. Yeltsin after the August 1991 coup attempt was legitimate. But the court struck down the president's confiscation of all party property, ruling that this would have to be decided case-by-case in civil courts.
The court also declared that the ban did not apply to primary party cells, the small clusters of Communists formed mostly within housing compounds that had no organization and played virtually no role in the party's ruling structures. Finally, the court struck down various specific provisions of Mr. Yeltsin's decrees that violated the law, such as provisions that a decree went into effect immediately rather than in the 10 days specified by law.
But the court effectively dismissed the entire question of the constitutionality of the party, ruling that as the Soviet Communist Party had effectively collapsed by the time of Mr. Yeltsin's decree, and that since the Russian Federation party was not yet legally formed, the issue was moot.
In the hallways of the Constitutional Court and in various press conferences around Mos-

China Ratchets Up Stakes With Britain

By Sheryl WuDunn
New York Times Service
BEIJING — China significantly raised the stakes Monday in its dispute with Britain by declaring all contracts signed by the Hong Kong government and not approved by Beijing invalid when London ends its rule in the territory in 1997.
The Hong Kong government, which was not forewarned, responded immediately that the declaration violated the Sino-British Joint Declaration and the Basic Law, the two documents that govern the transition period and that guarantee economic and political freedoms to the territory for 50 years.

"According to the Basic Law, contracts which are valid under Hong Kong's existing laws will continue to be valid and recognized and protected by the Hong Kong special administrative region, provided that they do not contravene the Basic Law," the Hong Kong government said in a written statement.
[In London, the Foreign Office issued a similar statement, saying that under the Basic Law, "contracts which are valid under Hong Kong existing laws will continue to be valid and protected after 1997," Reuters reported.]
The announcement by China, released by the Xinma press agency, aims at the commercial activities that are at the heart of Hong Kong's

existence and is certain to cause confusion and grave concern among a wide variety of local and international companies that do business in the territory. The Hong Kong government has signed thousands of contracts that could conceivably be affected.
It was the first substantial step beyond threats that China has taken to retaliate against British plans to bring greater democracy to Hong Kong. By undermining Hong Kong's authority to issue contracts extending beyond 1997, it also seemed particularly targeted to prevent Britain from continuing its efforts to
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Paris Concedes to NATO On French-German Corps

By Joseph Fitchett
International Herald Tribune
PARIS — France has agreed that a joint French-German corps can operate under command of NATO in crises ranging from war to international peacekeeping, European defense officials said Monday.
The French concession, which acknowledged NATO supremacy in Western security, will allay fears in Washington and some European capitals that the new corps would challenge NATO and U.S. engagement in Europe.
Instead, the proposal seems likely to deliver on German promises of drawing France closer to the U.S.-led alliance. France will not rein in the military command that it left in 1966, but the corps will usher in more pragmatic cooperation between French forces and NATO.
A senior foreign policy official in Bonn said the arrangement would "give the French military access to much more of NATO's planning, with the corps quietly opening the door for all French forces."
The proposed arrangements, approved by President François Mitterrand of France, were conveyed to ambassadors at the North Atlantic Treaty Organization on Monday.
France is scoring its own political point in getting NATO's recognition of the corps as a European contingent in the alliance. For diplo-

rats, that becomes a stepping stone to an independent military role someday for the European Community.
Expected to become operational in 1995, the corps will be a 35,000-person force, large enough to be capable of conducting any type of military operation.
But as an actual force, it is unlikely to have much impact in the foreseeable future. In combat missions, specialized elements might be combined in larger forces tailored for a crisis.
But in the diplomatic maneuvering over the future shape of Western security arrangements, the French-German initiative has had high political visibility — often at odds with U.S. thinking — since it was launched in general terms last May.
Relief was evident in the initial reactions of NATO, U.S. and British policymakers on Monday when the specifics were unveiled.
Initially unpalatable to the other members of the alliance, the proposal now seems capable of reconciling the interests of NATO and the European Community — a feat generally credited to German negotiators, who were torn between Washington and Paris.
Overall, the role of the corps, as it has finally emerged, reflects the strong pressure from
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Calling in Sick: The Boss Gets Tougher Some Firms, Suspecting Feigned Illness, Hire Private Eyes

By Peter T. Kilborn
New York Times Service
WASHINGTON — As struggling economies produce huge numbers of layoffs, significantly more workers still employed are calling in sick. Many are feeling the stress of working harder and some are abusing sick leave, using the time as added vacation days or even to look for other jobs.
Some companies fight back by using private investigators to uncover abuses. But Trans World Airlines has adopted a policy tough enough that it raises issues of employees' right to privacy.
In July, TWA secretly sent out forms to several hundred managers asking a range of personal questions about workers suspected of lying when they called in sick.
The form included questions on whether the employee had any identifying "scars and marks" and whether the worker smoked or drank. It also asked for a wide range of family information, including the names, ages and employment of the worker's children.
A copy of the form was recently sent anonymously to news

organizations. Until contacted by a reporter, leaders of TWA's unions said they had been unaware that such a form existed.
In response to questions from a reporter, the chief spokesman for the airline, Jerry Cosley, said the company would drop most of the form but that its aggressive pursuit of fraudulent requests for sick leave would continue. He said it would still be the company's policy "to be as aggressive as we can be in cutting down on fraud."
Labor experts and civil libertarians say that companies have a right to protect themselves from fraud and the losses incurred when workers stay home. Although reliable figures are hard to find, the U.S. Bureau of Labor Statistics reported earlier this month that there were 11.1 percent more reported illnesses in 1991 than in 1990. The bureau does not assess the legitimacy of illness reports.
Paul Botkin, a health-issues specialist at William M. Mercer Inc., a personnel consulting firm, said he had seen a perceptible increase in short-term disability applications. One Mercer client, a company with 100,000 employees, reported an increase of more than 12 percent in
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Kiosk

UN Chief Backs Force for Somalia

The United Nations secretary-general, Boutros Boutros Ghali, on Monday recommended the use of military force to deliver food and emergency supplies to the starving people of Somalia.
Mr. Boutros Ghali said in a letter to the UN Security Council that there was "now no alternative" but to resort to Chapter Seven of the UN Charter, which provides for the use of force if necessary.
"The focus of the council's immediate action should be to create conditions in which relief supplies can be delivered to those in need," he said. (Page 2.)

Dow Jones Up 22.96 3,305.18	Trib Index Up 0.72% 90.53	General News War nostalgia industry caters to foreigners in Ho Chi Minh City. Page 7. Record 20 members of Parliament gives Irish women a leap. Page 8. The U.S. Supreme Court backs abortion rights by refusing to review a Guam ruling. Page 2.	Business/Finance British markets suddenly signal recovery. Page 13. Norway cut its interest rates, while Ireland raised them. Page 15. Sports The powers of college basketball this season — in one man's view. Page 20.
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UN Chief Says Force Is Only Way Now to Get Aid to Somalia

Compiled by Our Staff From Dispatches
UNITED NATIONS, New York — The United Nations secretary-general, Boutros Boutros Ghali, said Monday that there was no alternative but the use of force to ensure delivery of humanitarian aid to Somalia.

In a letter to the UN Security Council's president, Andre Erdos of Hungary, Mr. Boutros Ghali said, "There is now no alternative but to resort to Chapter Seven." Chapter Seven of the UN charter authorizes the use of force if international peace and security are threatened.

In the nine-page letter, Mr. Boutros Ghali outlined five options for Somalia, including the use of force, but left the final decision to the Security Council.

"If forceful action is taken," he said, "it should preferably be under United Nations command and control. If this is not feasible, he said, an alternative would be an operation undertaken by member states acting with the authorization of the Security Council.

One of those members, the United States, has offered to send 30,000 troops for a UN mission.

Citing past failure to get sufficient aid to the people, Mr. Boutros Ghali said he had reached "the conclusion that the Security Council now has no alternative but to decide to adopt more forceful measures to secure the humanitarian operations in Somalia."

The White House said earlier Monday that any U.S. military involvement in Somalia would be limited in scope, but it did not rule out a larger UN role.

"We intend to work only within the UN," said the White House press secretary, Marlin Fitzwater, "and our purpose is not to establish a government or change the ruling structure of the country, but simply to provide the safety for delivery of humanitarian supplies."

He acknowledged, however, that a breakdown of governmental authority is one of the "key problems" in Somalia.

A senior Bush administration official suggested that the United Nations might be compelled to install an interim government and organize elections in the country.

The official, who asked not to be identified, said a U.S.-proposed military operation to deliver food and medicine might need to be followed by a UN effort to end anarchy in Somalia.

The official, who was in Kennebunkport with President George Bush for the Thanksgiving holiday, said, "Somalia has no government now, none. It needs some kind of structure. You may need a UN protectorate, which the UN would manage and try to turn back into a state."

As a possible model for such an arrangement, the official cited the UN role in Cambodia. But the Bush aide said that in Somalia the effort could be "something longer-term, where the UN would go in and actually set up an interim government and hold elections."

It is not clear whether Mr. Bush wants to recommend such a course to the United Nations. The issue of Somalia's ability to govern itself may be left to the incoming Clinton administration, while Bush advisers spend their final months in office trying to ensure the delivery of relief supplies.

But the comments of the senior official suggest that there is more sentiment among Bush aides for a longer-range UN role than was initially apparent.

On Thursday, Mr. Erdos, the Security Council president, said that the Somali situation was so desperate that the United Nations needed to establish administrative control there. At that time, an administration official expressed skepticism that the Security Council would approve so ambitious a plan.

(AFP, WF, AP, Reuters)



The German ambassador to Israel, Otto von der Gablentz, listening to debate in the Knesset on Monday over the spreading neo-Nazi violence in Germany. The woman at left is an interpreter.

Neo-Nazi Arrested In Killings Of 3 Turks

By Stephen Kinzer
New York Times Service

BERLIN — German police, showing unusual investigative speed, announced Monday that they had arrested a 19-year-old man in connection with the firebomb attack last week in which three Turkish citizens were killed.

Prosecutors said in a statement that the suspect was part of a shadowy neo-Nazi circle that had carried out "violent acts, specifically firebombings, against foreigners living in the Federal Republic."

The suspect was identified only as Lars C., but his last name was later reported as Christiansen. A second suspect was being sought.

Although Lars C. had been in investigative custody for several days, the police did not issue a warrant for his arrest until Monday. The warrant charges him with three counts of murder; attempted murder, arson and disturbing the peace.

The firebombing last week, in the Western town of Mölln, shook Germany's political establishment. As a sign of concern, federal investigators took the case out of the hands of local authorities.

Following the attack, the government has increased pressure on neo-Nazi groups. One group, the Nationalist Front, was banned Friday, and further bans are expected.

The announcement on Monday marked the second time that police have claimed a break in the Mölln case. Last week, they arrested a neo-Nazi, Michael Peters, 25, who lived in a nearby town. They described him as leader of a "rightist terrorist organization," but later they said he was probably not guilty of the Mölln bombing.

The chief federal prosecutor, Alexander von Stahl, said that Lars C. had been part of Mr. Peters' extremist circle. It was reportedly formed a few months ago and consisted of about a dozen violent young people. Nearly all have been arrested in recent days. Mr. von Stahl said the youths were involved in firebomb attacks on at least three hostels for foreigners in September.

He also said that Lars C. had been identified by a witness as one of the Mölln firebombers.

The mayor of Mölln, Joachim Dörfler, said the accused man was Lars Christiansen, an apprentice at a local supermarket.

In Bonn, members of the Turkish parliament met with President Richard von Weizsäcker and Foreign Minister Klaus Kinkel. Mr. Kinkel told the Turks that no effort was being spared to find those guilty of the Mölln firebombing.

A delegation from the Israeli parliament canceled a visit to Germany planned for next week. But Foreign Minister Shimon Peres said he opposed suggestions that Israelis stop making visits to Germany.

Three attacks on hostels for foreigners, all with firebombs, were reported late Sunday and early Monday. After one attack, in the western town of Wismar, the police said they arrested five heavily intoxicated men and charged them with attempted murder.

Party Leader to Step Aside
The head of the successor to East Germany's former ruling Communist Party announced Monday that he would step aside because of bitter party infighting and Stalinist dictators who were defeating efforts at reform, Agence France-Presse reported from Berlin.

Gregor Gysi, 44, said he would not seek re-election in January as chairman of the Party of Democratic Socialism.

32 Arrests in Stockholm
A force of 900 police officers was deployed in central Stockholm on Monday evening to prevent clashes between neo-Nazi and anti-racist demonstrators, but 32 people were arrested after minor incidents, Agence France-Presse reported from the Swedish capital, quoting police officials.

Some delegation spokesmen said that Martin Bangemann, the EC internal markets commissioner, left the meeting furious after the latest effort to reach a compromise failed.

The Community had been due to lift all border controls on travelers between the 12 EC states on Jan. 1 as part of its move toward a single market. But Britain, backed by Denmark and Ireland, insisted on maintaining some controls to keep an eye out for illegal immigrants.

Officials here said that Mr. Bangemann proposed a compromise that would allow "non-systematic" border controls.

WORLD BRIEFS

Russian Aid at Issue Over 'Black Box'

SEOUL (AP) — Angered over a lack of data on the flight recorder from a South Korean airliner shot down over Soviet territory in 1983, opposition legislators on Monday demanded the suspension of \$1.5 billion in aid to Russia.

President Boris N. Yeltsin of Russia had turned over the flight data and cockpit voice recorders from Korean Air Lines Flight 007, which a Soviet missile brought down, killing all 269 people aboard. South Korean officials demanded the recorders in the hope they would clarify why the aircraft strayed into Soviet airspace. Over the weekend, however, the Transportation Ministry said that the flight data recorder, or "black box," was empty and that the tapes in the cockpit voice recorder contained only conversations already made public.

The Democratic Party, Korea's largest opposition party, issued a statement on Monday criticizing the government of President Roh Tae Woo for accepting what it called "black boxes" in exchange for \$1.5 billion in aid. Kim Dae Jung, the party's presidential candidate, demanded suspension of the economic aid unless Russia fully cooperated in investigating the crash.

Khmer Rouge Hit by UN Sanctions

UNITED NATIONS, New York (Reuters) — The Security Council imposed trade sanctions Monday on Cambodian regions controlled by the Khmer Rouge in a last call for the guerrillas to join a UN-organized peace process.

The resolution also threatens to exclude the Khmer Rouge from Cambodia's first free elections in May if they do not allow voters in their areas to register by Jan. 31. The vote was 14 in favor, with China abstaining.

U.S. Is Said to Chide Israel on Talks

JERUSALEM (Reuters) — The acting U.S. secretary of state, Lawrence S. Eagleburger, has told Israel that it shares in the blame for the slow pace of Middle East peace talks, an Israeli newspaper said Monday.

The daily Ma'ariv said Mr. Eagleburger had sent a message to Prime Minister Yitzhak Rabin urging him to help advance the talks during their eighth round, which is to start in Washington on Dec. 7. Mr. Rabin's office refused to confirm or deny the report.

The newspaper said Israel was astonished by the message, which it regarded as harsh. The Bush administration has blamed Palestinians for the lack of progress in the talks, which were begun a year ago in Madrid. The United States is the main sponsor of the talks. Ma'ariv said the message, which was also sent to the Palestinians, demanded that both sides not wait for President-elect Bill Clinton to take over, asserting that his administration intended to maintain the same Middle East policies.

Mitterrand Urges Constitution Shifts

PARIS (AP) — President François Mitterrand proposed Monday that the French Constitution be changed to make cabinet ministers accountable to the judiciary and to cut the presidential term to six years from seven.

The proposals, outlined in letters to Parliament and the Constitutional Council, are part of a package of the most sweeping changes to the constitution since de Gaulle wrote it in 1958.

They address articles increasingly unpopular with the public, principally the long presidential term and the virtual immunity of cabinet ministers from prosecution. He also urged revisions that would curb the president's "special domains" in defense and foreign policy and expand the powers of the Parliament. He also suggested broadening the right to call referendums.

Correction

A New York Times article about lead poisoning in children, published in the IHT of Nov. 19, referred incorrectly to Beverly Mielke. Although she was exposed to lead in 1984, when she was 3, she suffered no permanent damage. Her exposure was discovered early, and the source of the lead, a sandbox, was decontaminated.

TRAVEL UPDATE

Egyptian workers reopened the tomb of Tutankhamen for two months to mark the 70th anniversary of its discovery. The tomb was closed for repairs and restoration last year. Paintings of the pharaoh and ancient Egyptian gods in other, brown, black and white, have cracked and peeled since the 3,300-year-old tomb, discovered by Howard Carter on Nov. 4, 1922, was unsealed in February, 1923.

American Express has opened an office in Leipzig, Germany, bringing the number of its offices in former East European states to 25. The company also has offices in Berlin and Dresden. The Leipzig bureau is in the Hotel Astoria, across from the city's main railroad station. It is open from 9:30 A.M. to 5 P.M. on weekdays and from 9 A.M. to 12 noon Saturday. This year Amex set up offices in Prague, Saint Petersburg, Tirana, Albania; Vilnius, Lithuania; and Riga, Latvia.

Australian ports and airports were disrupted by a national protest against social legislation that unions say will slash living standards. More than 100,000 metalworkers were involved in a separate strike, in demand for a 6 percent raise, timed to coincide with the national protest.

One of two international bridges at Laredo, Texas, was opened to traffic Monday after Mexican strikers stormed customs offices and set fires Sunday on their side of the border. The protesters, angry over new policies on the importation of U.S. goods, marched on Mexican customs offices in Nuevo Laredo where they taunted and beat officers, chased them across the border and set fires. The wave of violence left 12 people injured and 35 arrested for vandalism, theft and looting.

A second terminal was finished at Tokyo's Narita airport Monday. The six-story building, due to open Sunday, is more spacious than the original. Work on the second terminal started in November 1988 and was completed at a cost of about 170 billion yen (\$1.4 billion).

New French-U.K. Frontier
LONDON (Reuters) — Britain and France established a new common frontier on Monday, under the seabed in a tunnel joining the two countries. The frontier is marked at a point midway between the French and British coasts.

The first formal marking of the common frontier between Britain and France has a small but unique place in history and is a reminder of how far we have come in making the Channel Tunnel a reality. John Noulton, a Eurotunnel spokesman, said at the ceremony.

Burma Laureate Is Refusing Food, Husband Fears

By William E. Schmidt
New York Times Service

LONDON — The husband of Daw Aung San Suu Kyi, the Burmese dissident who won the 1991 Nobel Peace Prize, said Monday that his wife's life was in growing peril because she was now refusing even her own family's offers of food and material support as a way to protest her continuing detention.

"I have reason to believe that the circumstances under which she is held now pose a grave threat to her life," said Michael Aris, a British scholar who met with reporters in Oxford. "I am now very concerned that soon she will have no means at all of sustaining life."

Mr. Aris said he decided to speak out because he was alarmed about his wife's worsening situation. "I believe I am right to reveal to the world what is happening in the hope it will lead to her freedom," he said.

Mr. Aris said that he did not have any first-hand knowledge about either the health or medical condition of the 47-year-old dissident, whom he last saw during a visit in August, and does not know how much, if any, food or money she might still have on hand to sustain herself.

Burmese authorities have held her without trial and under house arrest at her family estate near Rangoon since July, 1989, as a result of her agitation on behalf of human rights and democracy inside Burma.

But in a brief handwritten message passed on to him earlier this month by the Burmese government, Mr. Aris said his wife asked him and their two teenage sons not to visit her at Christmas, as they had planned.

Mr. Aris said he intended to bring money and suitcases filled with food for his wife, who over the last three and half years has adamantly refused to accept any food or favors from her captors.

Until now, he says, she has relied either on contributions from her family or her own meager income to buy foodstuffs and pay other bills, including her household utilities.

Until last summer, Mr. Aris said, she raised some money by selling off furniture from her family's household to the military guards who imprison her.

Mr. Aris, who is a scholar of Tibetan civilization, said he would not describe his wife's protest as a hunger strike. "But she is facing a situation where she is running out of food and money," he said.

Her decision to eschew material help comes at a time when the Burmese government has mounted a campaign to modify its international image. In recent months, hundreds of political prisoners have been released by the government, and some of the more draconian measures, including trials of civilians by military courts, have been abandoned.

Throughout her detention, Daw Aung San Suu Kyi has steadfastly refused offers of freedom, on the condition she agree to give up politics and go into exile. Instead, she has demanded she be allowed to sit down and negotiate with the State Law and Order Restoration Council, the nation's ruling military junta.

In Oslo, the Nobel Institute joined Mr. Aris's appeal. Gier Lundestad, the institute's director, told Reuters that Daw Aung San Suu Kyi appeared to have begun what he called a "sort of a hunger strike" in the hope of bringing increased pressure on authorities in Burma.

Mr. Aris, who is a scholar of Tibetan civilization, said he would not describe his wife's protest as a hunger strike. "But she is facing a situation where she is running out of food and money," he said.

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Three attacks on hostels for foreigners, all with firebombs, were reported late Sunday and early Monday. After one attack, in the western town of Wismar, the police said they arrested five heavily intoxicated men and charged them with attempted murder.

Party Leader to Step Aside
The head of the successor to East Germany's former ruling Communist Party announced Monday that he would step aside because of bitter party infighting and Stalinist dictators who were defeating efforts at reform, Agence France-Presse reported from Berlin.

Gregor Gysi, 44, said he would not seek re-election in January as chairman of the Party of Democratic Socialism.

32 Arrests in Stockholm
A force of 900 police officers was deployed in central Stockholm on Monday evening to prevent clashes between neo-Nazi and anti-racist demonstrators, but 32 people were arrested after minor incidents, Agence France-Presse reported from the Swedish capital, quoting police officials.

Some delegation spokesmen said that Martin Bangemann, the EC internal markets commissioner, left the meeting furious after the latest effort to reach a compromise failed.

The Community had been due to lift all border controls on travelers between the 12 EC states on Jan. 1 as part of its move toward a single market. But Britain, backed by Denmark and Ireland, insisted on maintaining some controls to keep an eye out for illegal immigrants.

Officials here said that Mr. Bangemann proposed a compromise that would allow "non-systematic" border controls.

But a British spokesman said London rejected the idea as a mere transitional arrangement that "leaves us without the kind of frontier checks we want on non-EC nationals."

The nine countries of the so-called Schengen group, which have agreed among themselves to abolish all internal passport controls, rejected the notion of even minimal, non-systematic controls.

Mr. Panic has not yet declared whether he will run in the Dec. 20 elections, but his aides said he was expected to announce his decision within 24 hours.

In a last-minute action over the weekend, students collected the 10,000 signatures needed to put Mr. Panic, a Yugoslav-born American millionaire, on the ballot.

Belgrade radio quoted Serbia's Electoral Commission as saying that Mr. Panic did not have the proof of "one-year's residence" in Serbia. If he cannot provide that

within 48 hours, his candidacy will not be considered invalid.

The elections are on the federal level and also in Yugoslavia's two constituent republics. The federal president and prime minister are appointed by parliament, but the Serbian president is directly elected.

Mr. Kovac's decision came as Mr. Panic accused Mr. Milosevic of trying to undermine his government by engineering two other ministerial resignations over the weekend "in a frenzied effort to stay in power at all costs."

On Saturday, a minister without portfolio, Radmila Milentjevic, quit the government, saying Mr. Panic's statements "were the basis of a policy with which, as a Serb and a patriot, I cannot agree."

On Sunday, Economy Minister Nikola Sainovic resigned, saying he disagreed with "the unprecedented way of involving foreigners and interests of foreign powers in the government's policy."

Foreign Minister Vladislav Jovanovic resigned in September.

"Adhering to his manner of governing Serbia, Milosevic is now seeking to undermine the federal government for his own narrow political ends."

(Reuters, AP)

U.K. to Take 4,000 Bosnians

Compiled by Our Staff From Dispatches

LONDON — Britain said Monday that it would accept up to 4,000 Bosnian refugees — a thousand former inmates of detention camps with their families — for temporary asylum.

The move, announced in Parliament by Charles Wardle, immigration minister in the Home Office, followed criticism of the government's tight controls on immigration despite the human tragedy unfolding in war-racked Bosnia.

The UN High Commissioner for Refugees is coordinating the program for EC states to shelter about 6,000 Bosnians who have been held in detention camps.

"We have now informed UNHCR that we are willing to receive over the next few months additional groups of detainees to a total of 1,000 together with their dependents. Retaining perhaps 4,000 in all," Mr. Wardle said.

He said arrangements had already been made to receive the first group of 150 former detainees and their families as soon as the high commissioner's office confirmed they were ready to depart.

He said there had been no decision yet on when the larger group would begin to arrive. The refugees would be granted an initial stay of six months, with a review later.

"I'm sure that we all hope that these evacuees will be able to return in due course to their own country," Mr. Wardle said, adding that Britain's normal immigration rules would be waived due to the exceptional circumstances.

The ministers made no headway Monday in their dispute over passport controls, citing hopes for the barrier-free movement of "people within the EC by Jan. 1."

Some delegation spokesmen said that Martin Bangemann, the EC internal markets commissioner, left the meeting furious after the latest effort to reach a compromise failed.

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Jeffrey Litz

TRANSITION / THE ENDLESS CAMPAIGN

★ POLITICAL NOTES ★

A Look Inside the New President's Book Bag

WASHINGTON — The CIA, it is rumored, has something that Bill Clinton wants to get his hands on.

This precious cache — reportedly gathered over decades, through Republican and Democratic administrations alike — has been the subject of high-level discussions in the Clinton camp for several months.

"We have been told," a source close to Mr. Clinton said, "that the CIA has a copy of every spy thriller and mystery novel ever published. If it's true, we want access to those books."

Books: The president-elect loves them, with one of those outside appetites of his; he loves them like he loves french fries and apple fritters. He jokes about creating a federal Office of Detective Fiction. Mr. Clinton reads to relax, friends say, and to sharpen his thinking. He reads for ammo to feed his now-famous barrage of talk.

And Mr. Clinton reads — even when he is reading only detective novels — to further his grand designs on history. Right now, for example, he has his hands on Martin Cruz Smith's latest mystery, "Red Square," which was recontended not just as a page-turner but as background on today's corrupt, post-Communist Moscow.

Reading was, aides say, a matter of sanity during the grueling campaign. Through the long, draining months, Mr. Clinton kept two books going at all times: One on political or economic issues, the other a tale of detective heroics. (W/P)

An Insider With 'Brains, Bucks and Baklava'

WASHINGTON — George Stephanopoulos, the brown-eyed beryon of communications for Bill Clinton, is coming back to Washington. And it isn't just the ladies who are swooning.

The entire Greek-American population is delirious with glee. Its 20,000 or so members, clustered in various neighborhoods and surrounding suburbs, have never been so energized.

At least, not since Michael S. Dukakis ran for office. But Mr. Dukakis didn't win.

"We Greeks think that we have charisma, and that was the one thing that the last two candidates, Dukakis and Tsongas, lacked," said the Reverend George Papanonimo, the pastor of St. George's Greek Orthodox Church in Bethesda, Maryland. "But George has it, and everyone has noticed."

"Whenever I speak to a Greek in Washington, George Stephanopoulos is the first thing they mention," said George Savidis, the public affairs director for the American Hellenic Educational Progressive Association, the nation's oldest and largest Greek-American organization.

Certain events have already become love: On Election Day, Dimitrios Sarakinos mounted a two-foot-square (60-centimeter-square) photograph of Mr. Stephanopoulos in his car repair shop in suburban Rockville, Maryland, as two lambs, one named George Bush, the other Ross Perot, roared outside. "My friend found it in USA Today and blew it up for me," he said of the photo.

On election night, the management of the restaurant Athenian Plaka served Stephanopoulos Shooters, made from ouzo, metaxa, and grenadine, on the house.

John Arvanitis, the owner of The Lunch Box cafeteria downtown, even clipped a photo of Mr. Stephanopoulos from People magazine and hung it in his home. "He's an excellent role model for my 16-year-old son," he said. "And if my daughter were a little older, I wouldn't mind if George Stephanopoulos came by to ask for her. I'd throw a traditional Greek wedding for George." (NYT)



George Stephanopoulos, the Clinton communications director.

Quote / Unquote:

Doug Taylor, a self-described hard-core Republican who owns The Nugget bar and grill in Summerland, California, after a visit by Bill Clinton: "I'm thinking about changing my ways. He said he wanted to help the economy. He sure helped ours." (AP)

Away From Politics

• The chance of a major earthquake hitting southern California in the next year is 4 to 12 percent, a government report said. That estimate, in a report by the U.S. Geological Survey and two California government departments, is up to three times higher than the 3 to 4 percent probability of an quake measuring 7 or above on the Richter scale that was estimated before a series of big quakes in California earlier this year.

• The number of Americans receiving food stamps has exceeded 26 million, or 1 in 10, for the first time, according to Agriculture Department records for September. A department spokesman said that distribution of the coupons, to burrinate victims in Florida, Louisiana and Hawaii and to victims of a typhoon in Guam, had helped raise the total.

• NASA's countdown clocks have begun ticking toward the launching of the space shuttle Discovery, which carrying a surveillance satellite, but cold weather threatens to delay lift-off. The military mission will be the final shuttle flight of this year.

• Arthur Seale received 95 years in prison for the kidnapping and killing of an Exxon executive. Sidney Reso, Mr. Seale, 45, and his wife, Irene, abducted Mr. Reso, president of Exxon International, from the driveway of his Morris Township home in New Jersey on April 29. Mr. Reso, 57, was handcuffed, bound and gagged in a box in a storage vault where he died May 3. The Seales buried him in Bass River State Park. They tried to collect an \$18.5 million ransom. AP, AFP, NYT, UPI, Reuters

Senator to Fight Harassment Case

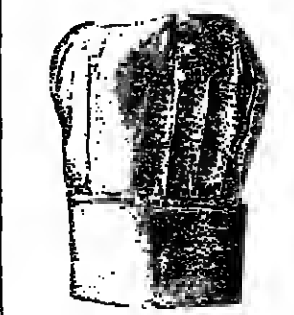
The Associated Press

WASHINGTON — Senator Bob Packwood will spend a week in an alcohol treatment program, but will not consider resigning and has hired an attorney to defend him in a possible Senate ethics investigation of sexual harassment allegations, an aide said Monday.

Mr. Packwood, Republican of Oregon, whose whereabouts have been kept secret for more than a week, voluntarily entered treatment.

Ten women — former Packwood staff members or lobbyists — have accused the four-term senator of unwelcome and unwanted sexual advances over the years. Mr. Packwood was re-elected earlier this month. Before the election, Mr. Packwood denied the allegations against him, but he has since retreated from those denials.

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Clinton May Court New Faces In Congress

The Associated Press

SUMMERLAND, California — President-elect Bill Clinton may pay a call on House freshmen next week to help build congressional support for his proposals, aides said Monday as he wrapped up a four-day California vacation.

"A new crowd is coming to town, both in Congress and in the White House," said a transition aide. Al From, Mr. Clinton's Mr. From, said, hopes to build early alliances with the 110 new House members.

Although his plans are not definite, if Mr. Clinton traveled to Washington, he would be likely to go early next week, when members of the new Congress will be holding organizational meetings.

The president-elect sees great potential for allies in the new group of congressmen; many of them were elected on themes of change.

Mr. From, the transition's director for domestic policy, said Mr. Clinton would be looking to them for help with his legislative proposals to let people swap public service for college tuition, to trim the federal bureaucracy, and to reform campaign finance and lobbying laws.

"These guys are coming from outside Washington," Mr. From said. "There are a number of new ideas, reform issues, that Clinton is going to pursue that I think they'll be interested in. They're going to be a key group."

In addition, he said, many of them are "committed deficit-cutters," which Mr. Clinton considers a top priority.

A senior aide said Mr. Clinton



Bill Clinton high-fiving a supporter at a California restaurant where he had dined. Mr. Clinton was ending his vacation Monday.

hoped to forge early alliances with the freshmen and let them know "he's willing to work with them."

A Clinton trip to Washington next week would coincide with a Democratic Leadership Council banquet on Dec. 8. Mr. Clinton is a former chairman of the council, which was founded by centrists.

Mr. Clinton was headed back to Little Rock, Arkansas, on Monday night to resume transition work. He held a flurry of interviews last week with potential cabinet selections, and said he was close to making decisions. But aides said the first of his appointments might not come until next week.

He Just Can't Stop Running

Election Is Over, but the Winner's Politicking Goes On

By Michael Kelly
New York Times Service

SANTA BARBARA, California

Running along the beach over the weekend, Bill Clinton came upon a volleyball game, a group of bronzed young Californians at play. The president-elect briefly joined in. Gawkers marveled.

"Which one is the president?" a woman asked.

"He's the one with the white legs," another replied.

But Mr. Clinton, so much paler than the typical beach devotee as to seem of a different species, has one great point in common with the worshippers of sun and sea in Southern California. Like the surfers forever chasing the perfect wave, the president-elect is chasing the perfect encounter with a voter.

When Mr. Clinton was elected, it seemed reasonable to assume that he would stop campaigning. Instead, he has segued from the last race into the next one. The emerging style of his presidency is the style of the endless campaign.

At its heart, the style is personal, a ceaseless effort to maintain and extend a direct connection between Bill Clinton and the people. The connection is intimate and emotional and far more physical than is the presidential norm.

The Clinton touch with the public is an article of faith among his advisers, who liked to boast during the campaign that he almost invariably won the support of anyone he actually met. And they have high hopes that this approach will work in the long haul of the presidency.

But others say the tactic carries risk as well. While calling what he termed the "post-inauguration extension of the campaign" a good idea in the short term for a president who will take office without a majority of voters behind him, Kevin Phillips, a Republican political

analyst, warned against a prolonged reliance on public relations.

"If he reaches the point where this is seen as an attempt to camouflage nonaction on the economic front, it could be counterproductive," he said. "He also runs the risk of trivializing his mandate and damaging the gravitas of the presidency if he monkeys around too much."

Mr. Clinton's style as he prepares to enter the White House is born of the style that got him there. While George Bush mostly limited his excursions among the people to brief visits with small, well-controlled groups, Mr. Clinton sought as many intimate contacts as possible. In a 16-hour day, he would touch and be touched by perhaps several hundred people, and would speak directly to thousands.

Since winning office, he has continued in this manner, which political experts call "retail politics." On his daily run or exercise session at the Little Rock Downtown YMCA, he is open, for instance, to anyone who approaches him for a private word or an autograph.

On a grander scale, he has developed the habit of making an ostensibly informal, but actually carefully arranged, walk among the people once every week or so. These events, known among his aides as "meet and greets," are the heart of retail politics, and Mr. Clinton does them very well.

Going against accepted political wisdom, he ran a retail campaign in the season of wholesale politics, understanding that the broadening effect of television would make small moments large.

Mr. Clinton's visit last week to the Glendale Galleria, a gigantic shopping mall in a suburb of Los Angeles, illustrated both the political and emotional lift such visits offer and the danger they pose.

Thirty thousand people were so tightly crammed in the mall's two floors that movement along the aisles where Mr. Clinton was to walk had become almost impossible.

As he made his way, talking and listening and touching, the crowd reacted with a level of excitement more usually given to movie stars, straining against the line of worried police officers and Secret Service agents, who made them wave their hands in the air to show they carried no weapons.

Mr. Clinton's top aides say he will continue this sort of thing after he assumes the presidency.

"He does not intend to become a prisoner of the White House," said Bruce Lindsey, a senior adviser. "This is one of the ways that he maintains a sense of what's going on — talking to real people about their real problems is a way for him to maintain a sense of what the national problems are, and whether the solutions are working."

Clinton aides do not generally cite as the model for their boss's first term John F. Kennedy, the president Mr. Clinton most obviously evokes in mannerisms of gesture and speech. Rather, they point to Franklin D. Roosevelt.

Like Mr. Roosevelt, Mr. Clinton will take office at a turning point in history. Like Mr. Roosevelt, he is widely admired but also widely mistrusted. Like Mr. Roosevelt, he will face a set of competing interests pushing him in contradictory directions.

Mr. Roosevelt built his base with fireside chats on radio that forged a strong, intimate bond with millions of voters. But Mr. Clinton must use television, in which pictures, not words, serve to establish emotional connection.

And no one can know if the public will still have an appetite for the endless campaign a year from now,

Bayerische Landesbank Bulletin

MONEY AND CAPITAL MARKETS REPORT

GERMAN BOND MARKET

MARKET ANTICIPATES RATE CUTS

With interest-rate confidence growing, a big step towards the normalisation of the yield curve has been taken in the past few weeks. Interest-rate inversion is now found only at the short end of the market.

October has been a memorable month for the German bond market. The progress made towards restoring the normal yield structure astounded even the optimists. The yield on five-year securities has dropped below the ten-year yield for the first time since February 1989. The latest issue of federal bonds, with a coupon rate of 7 1/2 per cent and sold at par, also gives evidence of the profound change in the market climate. The last time an issue was made on such terms was at year-end 1989/90 (year-end issue by the Federal Government).

The Bundesbank, via fine-tuning of short-term rates, has nudged interest rates down by keeping the benchmark for repurchase transactions below 8.9 per cent. This prompted many investors to "jump on the bus" quickly in anticipation of a further key-rate cut. This inevitably led to temporary overshoots, so that the market paused repeatedly to catch its breath. But the general direction is clear: All signals are pointing to a downtrend in interest rates, although we should not forget that rates have already fallen quite substantially. The average interest-rate level has dropped by just over one percentage point since early September.

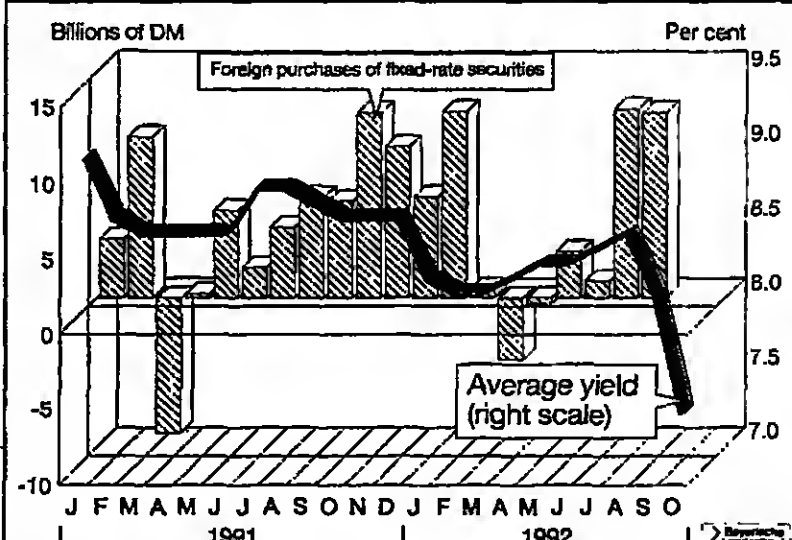
The expectation of lower interest rates has been underpinned by the economic environment, i.e., the economy's marked weakening. On the other hand, inflation is still too high and money supply growth too fast (although opinions as to its implications for monetary policy differ). The fact that the Bundesbank has nevertheless led interest rates lower through fine-tuning is no coincidence. When it became ever more obvious that the uncompromising money squeeze would do almost irreparable damage both at home and abroad, the Bundesbank felt compelled to relax its policy at least to some extent.

Hesitant but effective

The US and Japanese central banks, whose monetary policies had exclusively been geared to fighting inflation since the mid-1980s, began to shift towards ease as early as in December 1990 and in July 1991, respectively. The Fed lowered the discount rate in seven steps from 7 to 3 per cent, and the Bank of Japan reduced it in five steps from 6 per cent to 3 1/2 per cent. Monetary relaxation in both the United States and Japan was, above all, the central banks' inevitable response to the fact that economic growth was lagging far behind expectations. The Federal Republic of Germany, where growth estimates are steadily revised downwards, is playing catch-up with

the other major industrial nations. The Bundesbank is also making allowance for this new situation; its response, though hesitant, is nevertheless quite effective.

The average yield on public bonds dropped from 8.33 per cent in early September



A surge in foreign buying of German fixed-rate securities usually also affects interest rates. By stepping up their purchases of D-mark bonds, foreign investors helped to push down the average yield on public bonds by more than a percentage point within a short period of time. In March and April foreigners had been net sellers of German bonds to the tune of DM 4 1/2 billion, but they turned net buyers again in the following months. In July and August they even became the No. 1 investor group in the German bond market. Within purchases of DM 25 billion, foreigners outdistanced banks (DM 17.6 billion) and even more so non-banks, which reduced their bond holdings by DM 3 1/2 billion during these two months. The main reason for the high foreign commitment to D-mark bonds is the strength of the mark. When the mark appreciates (against the dollar and major European currencies), foreign buying kicks in and drives interest rates down. Inversely, foreigners will dispose of D-mark bonds when the mark's appeal fades, thus pushing interest rates up.

to 7.23 per cent on 26th October. This sharp drop in the public bond yield can be read as a move by the markets in anticipation of the cut in the key rates expected to be made in the foreseeable future.

The potential for further cuts, however, is limited. This, if for no other reason, because of the inflation rate, which — though fairly comfortably in the three per cent range at present — is poised to rise above four per cent again early next year when the value-added tax is raised from 14 per cent to 15 per cent. Inflation is expected to keep at this level until spring. The temporary acceleration of prices will also be taken into account by the Bundesbank in the conduct of its monetary policy.

And another thing that should not be overlooked: Although across-the-board yield inversion, from money-market yields to the long-term bond yield, is now a thing of the past, there is still a reverse yield gap between short-term (maturities of up to one year) and long-term yields. Short-term rates would therefore have to fall at a faster rate than, for example, the ten-year bond yield. In other words, a drop in the long-term yield would have to

be accompanied by an even deeper drop — induced by a determined key-rate cut by the Bundesbank in money — market rates, which also include the rate for three-month money.

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INTERNATIONAL **Herald Tribune**

A Hurdle for Yeltsin

Wily and agile, Russia's President Boris Yeltsin has apparently managed to strengthen greatly the prospects for his economic reforms. A month ago it seemed probable that he would suffer a severe defeat at the hands of the Congress of People's Deputies, which opens this Tuesday. This unconstructed body, still stuffed with the functionaries of the late Soviet state, is not a natural ally for Mr. Yeltsin. But with some symbolic concessions here and a few compromises there he has been working diligently to disarm his opposition. He is now going further and talking about organizing a political party to support the reforms.

Kurds Versus Kurds

Twenty million Kurds scattered across Turkey, Iraq and Iran have long aspired to an independent state. Yet it has been their fate to be manipulated by more powerful nations, including the United States. The usual result has been betrayal, persecution and defeat. A new version of that sad scenario may again be unfolding.

A Recovery Debate

The Commerce Department reported the other day that the American economy grew at an annual rate of 3.9 percent in the third quarter, the strongest such subburst of expansion in George Bush's term. The administration quickly pounced on the report as proof that it had been right about the economy all along. The "figures made us all feel... almost vindicated," presidential spokesman Marlin Fitzwater said.

Battle in the Pentagon

The fate of America's economic recovery may well turn on arguments going on in the Tank. That is the evoked-proof chamber in the Pentagon where the Joint Chiefs of Staff meet to thrash out their differences. Now they are confronting the toughest questions — not foreign enemies but their own services' roles and missions.

ories that are not producing much or, as in the case of the arms industry, are producing the wrong things. That raises difficult choices for Mr. Yeltsin's friends in the West. They have a responsibility to support the process of reform, but they do not want to find themselves financing procrastination in a society that faces unusually deep and painful changes.

Foreign Policy: A Streamlined Agenda for a Novice President

BOSTON — Bill Clinton's desk must be covered by now with reports from American embassies and consulates depicting a variety of world problems that he must face up to them. Within the bureaucracy, forgotten precincts are preparing memos saying that their long-neglected clients need the care that only the new president can provide.

Clinton Should Take a Cue From Roosevelt's Conservation Corps

NEW ORLEANS — In his search for ways to revitalize the United States, President-elect Bill Clinton would do well to create a modern Civilian Conservation Corps.

The Religious Right Has It Both Ways

DALLAS — On the Friday before election day, USA Today carried a full-page advertisement headed "CHRISTIAN AWARE."

Unfinished Business for Bush

WASHINGTON — A final policy debate about Saddam Hussein is churning up through the bureaucracy for George Bush to settle before leaving office on Jan. 20. The debate gives him an opportunity to do much more than have a last word about Saddam's fate.

By Jim Hoagland

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even if it does not produce a trial. In the twilight of his administration, Mr. Bush can act to make sure that it is twilight time for Saddam and for the disgraced, coddling view of the Arabs held by their apologists in the West. That would be a contribution to U.S. foreign policy that would reach beyond Jan. 20.

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By Stephen E. Ambrose

Roosevelt agreed, provided that the employees, although under military discipline, not get military training.

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Infrastructure for What Players?

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Royal Marriage Off
BERLIN — The projected marriage between the Russian Crown Prince and Princess Mary of Greece was threatened by the opposition of Queen Olga. The Greek people dislike marriages between cousins as an offense against the Orthodox Church and the Royal couple, the Grand Duchess Paul, died, many Greeks regarded this as an indication of God's anger.

1917: Russian Shift
PETROGRAD — By a dramatic turn of events the acceptance by Germany of the Russian truce and peace offers coincides with an important development in the Petrograd political situation. Lenin's grip at the head of affairs has been loosened, and a Coalition Cabinet has been formed in which Lenin's adversaries are strongly represented. Austria-Hungary has accepted the Leninite truce proposals. Preliminary negotiations have taken place with the German Command. The actual negotiations will open to-morrow (Dec. 2).

1942: Tightening Trap
MOSCOW — [From our New York edition:] The Red Army killed 7,500 more Germans and knocked out 75 tanks on the blitzard-swept Rzhev front west of Moscow and 845 miles from Stalingrad yesterday (Nov. 30) in twin offensives still rolling outward despite desperate Nazi counterattacks. On the Stalingrad front, where Russian armies were trying to throttle the remnants of the Nazi siege army originally numbering about 300,000, there appeared to be no German disposition to try to break out of a slowly closing Russian trap. With many Nazi rear supply lines snapped by the Russians, the German High Command was reported trying to fly in food and munitions to Nazis and Rumanians caught between the Don and Volga Rivers by the Soviet encirclement.

WASHINGTON — A final policy debate about Saddam Hussein is churning up through the bureaucracy for George Bush to settle before leaving office on Jan. 20. The debate gives him an opportunity to do much more than have a last word about Saddam's fate.

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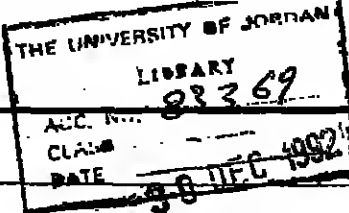
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OPINION



'On the New Sovereignty': Scripting Bush's Farewell

By William Safire

WASHINGTON — Before Larry Eagleburger and Brent Scowcroft return to Kissinger Associates, they would do their country and the world a big favor by enlisting a serious speech writer like Anthony Snow in a great enterprise: They could help the president-articulate the new international "right to intervene."

mountaintop: As departing chief of the only standing superpower, he should deal with what George Shultz has long been calling "the new sovereignty." When do the world's responsible powers have a right to intrude on what used to be an impenetrable sovereignty? Anarchy offers the obvious invitation to intervene, as is the case in Somalia — but what of cases of genocidal tyranny, as practiced by Iraq in its portion of Kurdistan, or by the Khmer Rouge as it plots new savagery in Cambodia, or by Serbia as it readies for its final solution in Kosovo? The departing American president has the standing to assert that the preservation of human life is an interest — a vital interest, to be redundant — of the world's powers.



'Your name Clinton?'

LETTERS TO THE EDITOR

'Honored' by Neo-Nazis

The banning of a neo-Nazi march to a cemetery for 20,000 SS troops killed in the 1945 battle for Berlin (IHT, Nov. 16) is another terrifying example of ignorance in action; the same sort of ignorance that made the Third Reich possible. Many of the SS war dead buried around Berlin are not even German, in a great irony, the larger percentage of the Waffen SS troops who fought in the final battle for Berlin were from the foreign divisions. The unit that defended the area closest to Hitler's bunker was the Nordland Division, made up of Scandinavians, Latvians and French SS men. Thus, today's version of the Nazi riddle are so stupid that they were trying to "honor" *Ausländer*, the very people they say they despise.

DAVID T. ZABECKI, Editor, Encyclopedia of World War II in Europe, Beasbach, Germany.

Simply Soldiers

Regarding the Nov. 27 *Memorandum column* "Recalling the Gay Young Infantryman" by Lucian K. Truscott 3d, and "No, Civilian Rights Can't Always Apply," by William T. Corbett:

Once upon a time, the military argued that letting blacks into the military would hurt morale (which was racism). Then it argued that women would damage morale (sexism). Now, it is said that homosexuals would be bad for morale (fill in the blank). Yet morale is that quality that was in overabundance in a hotel corridor in Las Vegas not too long ago, and its decline would be no great loss. Those in the military who worry about AIDS might have a point if it weren't so obvious that straight men with morale get it, too. It is quite simple: Sex has nothing to do with the military. Man or woman, gay or straight, the soldier who would refuse to work with another soldier should never sign his name. The soldier who harasses another soldier should be kicked out of the military. Those who value their jobs will have to learn to value their fellow man or woman.

DANIEL H. SCHEROTTER, Bologna.

No Place for Federalism

Regarding "A Consensus Built on Hope Has Quietly Come Together" (Opinion, Nov. 25) by Robert H. Pfaff: Federalism is not an idea that should

be encouraged in South Africa, despite its positive aspects elsewhere. The object of the white government in demanding a federal system is the preservation of a resource-rich "white state"; the black majority would have little influence over its laws. Whites own most of the land in South Africa; much of the rest belongs to the overpopulated, resource-poor black "homelands." The artificial creation of a mainly white state could pose all sorts of legal obstacles to real integration under a federal system. With the repeal of most of the legal pillars of apartheid, local laws intended to perpetuate the separation of the races have been enacted. The Environment Act, for instance, allows residential communities to exclude newcomers on the grounds that they are a "nuisance," "unhygienic" or contribute to "overcrowding." In essence, federalism would allow the continuation of business as usual for most whites in South Africa.

CAROLYN BUFF, Geneva.

Pfaff on the World

William Pfaff's piece "A UN Mandate to Keep — or Impose — the Peace" (Opinion, Nov. 28) is controver-

Fragile Wings Over a Latvia Beach

By Vassily Aksyonov

F AIRFAX, Virginia — Last summer, the beaches near Riga, the Latvian capital, were almost empty; only a few joggers could be seen. When I asked why, the locals recited these reasons: 1) the water was dirty; 2) prices had jumped up grotesquely; 3) Soviet Jews who had frequented the beaches since the end of World War II had moved to Israel and the United States; 4) tension between Latvians and Russians made people nervous. Of all these, the last was by far the most important. In a country where the natives make up barely 50 percent of the population, the Russians, who make up more than 40 percent, now have the derogatory name "migrants." When you add the other minorities to this combination of nationalities, you can see how Latvia is doing its best to create a time bomb, ready to explode with ethnic hostility.

Our plan was to make the house an international Baltic writers' colony instead of an imitation Las Vegas. But as talks began, I was struck by some Latvians' poorly hidden hostility. They refused to distinguish those of us who were staunch supporters of independence from the long-hated "Soviet occupiers" and oppressors. That is why I was invited: As someone known as a dissident and exile, I could not be associated with the notorious "Moscow hand."

MEANWHILE

I write about the Dubulti because it reflects a lot of the current ambivalence, distrust and long-suppressed animosity toward Russians. Latvians certainly have reasons to dislike the Russians. In 1940, the Red Army crushed their fledgling independence and replaced the 19-year-old Latvian state with the monstrous Latvian Soviet Socialist Republic run by the local Communist stooges. Today, as you walk along a Riga street, you can't help catching a sense of alienation: a German-looking town with its Gothic spires; a Russian-speaking crowd of former Soviet subjects; Latvian signs and billboards incomprehensible to many. Latvia, in fact, is a small country with a big capital that has an extraordinary cultural influence on the rest of the nation.

Mr. Pfaff is in a gutsy minority of current-affairs commentators who dare to speak out for conflict solutions that the majority may not consider "politically correct." The mandate system is, in fact, the only prescription for situations like those in Bosnia, Somalia, Sudan and other hot spots. Anthony Lewis's companion piece "Stop Tolerating the Massacre of Bosnia" provided a dramatic footnote to Mr. Pfaff's column.

KARL H. PAGAC, London.

Regarding "Who Would Have Thought Europe So Fragile?" (Opinion, Nov. 26) by William Pfaff:

Two points: The Red Brigades were leftist terrorists in Italy, of course, and not in Germany — the German equivalent was the Red Army Faction. And the woman from the Dominican Republic murdered in Madrid was shot, not beaten to death.

NIGEL JONES, Vienna.

The Russians whisper: Haven't you heard, they've started selling arms to all Latvians and refuse to do so to Russians? Fear has huge eyes, says a Russian proverb. The rumors keep spreading: All Russians who failed to pass Latvian language exams will be immediately fired. The authorities will issue special car plates for ethnic Russians. The latter rumor, by the way, came true in neighboring Estonia.

Not surprisingly, the Latvians developed a certain mentality; they saw themselves as a small, cultured European nation occupied by the callous Russian hordes. In truth, they were ruled by their own Latvian Red Guards — puppets of the Kremlin. And paradoxically, the Russian intelligentsia were among the strongest supporters of liberation: the independence of the three Baltic states was always included in the context of their anti-totalitarian struggle.

Yet freedom brought bitterness as well as triumph. "I always believed that we're playing on the same team," said one Russian writer. "In January 1991 I was on the barricades guarding Riga Old Town. I was ready to fight to the bitter end..." Today I realize that many of my Latvian friends of those days still consider me closer to the "occupiers" than to themselves.

Not long ago, authorities shut down one of the most innovative and courageous acting companies in the former Soviet Union — the Young Spectator Theater in Riga. Said one dramatist of mixed Russian-Latvian origin:

"I remember their performance of a Vladimir Nahokov play in 1988. It stirred up scandal. Some people sitting now in the highest rank of the republic were in charge of the ideology. They were frightened by the possibility of Moscow's angry reaction... The most striking part of this case is that the order to close the Young Spectator came from the newly appointed minister of culture, a Latvian jazz composer, Raimonds Paulis."

I thought about these paradoxes when I visited the beach near Dubulti. From gusts of Baltic wind, I saw a strange-looking aircraft descend on the sand; it resembled a pterodactyl. A group of young Russian aviators were offering flights on their moto-gliders to scarce vacationers. A 10-minute flight cost 200 rubles, about a dollar.

After the flights, I talked to those towheaded pilots and mechanics. They were all born in Riga, worked at the Riga auto factory and now were on their own as manufacturers. The jads strongly believed in their talent and their ability to build the best flying hike in the world. I couldn't help thinking: Will these young men also be deprived of their citizens' rights in independent Latvia? If so, what will that say about the future of Latvian democracy?

The writer, a Russian novelist and essayist, teaches creative writing at George Mason University in Fairfax, Virginia. He contributed this comment to *The Washington Post*.

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Ruling 6-3, Justices Reaffirm Support Of Abortion Rights

By Linda Greenhouse

New York Times Service
WASHINGTON — The Supreme Court made clear Monday that, although it remained divided on abortion, it will not revisit its 5-to-4 ruling in June that states may regulate but not ban abortion during the roughly six months of pregnancy before a fetus becomes viable.

Voiting 6 to 3 this time, the court refused to hear an appeal filed by the governor of Guam from a federal appeals court's ruling that the territory's broad prohibition of abortion was unconstitutional. The Guam law, enacted in 1990, prohibited all abortions except those found by two doctors to be necessary to save a pregnant woman's life or prevent a grave threat to her health. A panel of the U.S. Court of Appeals for the Ninth Circuit, ruling in April, found the law "clearly unconstitutional" under the principles of *Roe v. Wade*, the 1973 decision that the court reaffirmed five months ago.

The six justices who voted against hearing the Guam appeal on Monday did so without published comment. They included the five who made up the majority in *Planned Parenthood v. Casey* last June — Justices Sandra Day O'Connor, Anthony M. Kennedy, David H. Souter, Harry A. Blackmun, and John Paul Stevens — plus one of the dissenters in that case, Justice Clarence Thomas. The three other dissenters from the *Casey* decision, Chief Justice William H. Rehnquist and Justices Antonin Scalia and Byron R. White, dissented from the court's action on Monday. In an opinion by Justice Scalia, these three stopped short of saying that the court itself should hear the Guam appeal.

Rather, they argued for vacating the Ninth Circuit's opinion and ordering that court to determine whether any possible application of the Guam law could be constitutional.

Justice Thomas's absence from the group of dissenters on Monday was an unexpected surprise, although the impact of that absence was not clear. While it takes only four votes for the court to accept a case for argument, it takes five votes to vacate a lower court opinion as the three dissenters urged. Had Justice Thomas voted with the other three in an effort to force the court to hear the case, the remaining five justices could have countered by voting simply to affirm the Ninth Circuit's decision.

Appeal Rejected

In other cases, the Supreme Court took these steps:

● It rejected the latest appeal by Jeffrey MacDonald, the former army doctor sentenced to three life prison terms for the 1970 slaying of his pregnant wife and two daughters. Attorneys for Mr. MacDonald claimed to have new evidence to show that four drug-crazed hippies broke into the MacDonald apartment and attacked the family. But a federal district court found the appeal, one of many that followed Mr. MacDonald's 1979 conviction, an "abuse" of the court system.

● It refused to give a Georgia woman custody of her biological son, who was adopted by another couple after a hospital switched him and another infant. The court, without comment, left intact a ruling that awarded custody of the boy, who is now 9, to the couple who have raised him since birth. (UPI, AP)

Bush to Yeltsin: Americans Are 'Behind You'

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush called President Boris N. Yeltsin on Monday to say the American people "stand behind you" in the fight with opponents of his free-market economic program.

Mr. Bush's press secretary, Martin Fitzwater, said Mr. Bush called because he was concerned about the opposition Mr. Yeltsin faces as the Congress of People's Deputies prepares to meet.

Mr. Fitzwater quoted Mr. Bush as saying in the 10-minute conversation: "We stand behind you and the others promoting economic and political reforms." Mr. Fitzwater said Mr. Bush had called "because there's been a lot of concern about the opposition to the reforms."

Mr. Fitzwater said Mr. Yeltsin was "appreciative" of the call.

In Moscow, the Itar-Tass news agency reported that President-elect Bill Clinton had sent Mr. Yeltsin a message of support. (AP, AFP)

PARTY: A Mixed Verdict

(Continued from page 1)

cow, both sides claimed victory while privately grumbling about the politics and timing of the decision.

Communists declared that they would start rebuilding the Russian party from the newly relegalized primary cells. Mr. Yeltsin's supporters said they were satisfied that the party had been declared unconstitutional, since that was part of the decree that the court had upheld.

But the unresolved question of property raised a writer of new questions and a prospect of many new lawsuits. Nobody seemed clear about who could legitimately claim the property, since the party had been declared legally banned, but it was obvious that many would try.

The court displayed a very interesting methodology," said Sergei Baburin, one of the most vocal pro-Communist members of parliament and himself a legal expert.

"It's as if a doctor is asked whether a patient is dead or alive," he said. "The right hand is warm, the doctor says, 'the left is cold, the heart is ripped out but seems to be beating, the kidneys are gone — but you decide yourself if he's dead.'"

Mikhail A. Fedotov, one of leading lawyers on Mr. Yeltsin's side, declared it a "half-decision" that could pose problems for the government. But he also acknowledged that it was probably the only position the court could take at this stage.

"I am satisfied with it, given the concrete political situation and the concrete composition of the court," he said. "After decades of regimentation, it's very difficult, psychologically difficult, for them to declare the party unconstitutional. They understand it's unconstitutional, but they're not able to pronounce it."

Mr. Fedotov was alluding to the fact that all but one of the justices — just as most of the lawyers for either side, and for that matter Mr. Yeltsin and virtually all of his administration — had been Communists.

But Mr. Fedotov's thought also applied more broadly to the entire process that began May 26. By sheer volume it was a monumental case — 52 sessions were held, 46 witnesses were called, 16 experts were heard and a mountain of documents, many culled from the most secret files of the Communist Party, were submitted in evidence.

The witnesses included some of the most powerful men of the former regime — Nikolai L. Ryzhkov, Vladimir Dolgikh, Yegor K. Ligachev. But the most prominent of them all, Mikhail S. Gorbachev, raised the one notable controversy of the process when he refused to take part in what he dubbed a political show.



HEADING FOR THE SCRAP HEAP — A Soviet-built tank being dismantled Monday in Bucharest under the watch of a Romanian officer. The tank was being destroyed as part of a weapons-reduction plan that is being overseen by the Conference on Security and Cooperation in Europe.

FRANCE: Paris Concedes to NATO on New Corps

(Continued from page 1)

Washington and from the military in Germany and Britain to ensure that the new force does not undermine NATO as the overall Western defense system.

Influential factions in the French military establishment favored a link of this sort, breaking with the Gaullist doctrine of total French independence. French forces need a multinational arrangement that can help France amid the post-Cold War uncertainties about future security challenges and defense needs.

The intentions of France and Germany were conveyed formally to the allies in a letter on Monday saying that the corps would be available to carry out missions for

NATO and for the Western European Union, a defense group of European allies, including peacekeeping assignments beyond the alliance's traditional area of operations in Europe.

This arrangement — "double-hatting" in defense jargon — has been seen all along by experts as a sensible compromise satisfying NATO's needs in maintaining an overall framework of cooperation and giving European countries a force of their own.

In using the corps, the NATO commander, as far as possible, must treat it as a single unit and not try to pry it apart by using only the German component.

Paris opposed, unsuccessfully, the U.S.-led move to broaden NA-

TO's mandate to include peacekeeping missions beyond the alliance's traditional European area of operations.

But French objections had to be shelved as the price of getting German support for their new corps, which the Paris government has held out as the vehicle for greater European military independence from Washington.

This commitment is set up to allow time for changes in current German constitutional prohibitions and is subject to case-by-case approval by France.

But traditional French insistence that its armed forces must remain under national control has been breached by the corps, which is a bilateral command.

GERMANY: Who Will Buy Now?

(Continued from page 1)

leading business groups. But when a representative of the IG Metall trade union tried to talk to trainees recently at a Mercedes plant about tolerance for foreigners, she was met with a shower of boos and catcalls.

In the state of Saxony, an official said British and other European regions competing for Japanese investments were using the anti-foreigner attacks as an argument to lure the Japanese away from Germany. Japanese investors are among the most frightened by the violence, and with good reason. Several Japanese business people have been beaten in street encounters with rightist thugs; one was a Berlin woman who has lived in Germany for six years and has raised her son as a German.

Some Japanese companies now require executives heading to Germany to attend seminars on how to avoid anti-foreigner violence while in the country. According to the Japanese Chamber of Commerce in Düsseldorf, Japanese executives are being instructed always to wear dark suits or conservative European dresses to avoid being mistaken for Vietnamese or Korean refugees.

The Trenthandanstalt, the public agency charged with selling off the state enterprises of what was Communist East Germany, now finds

itself discussing attacks on foreigners with most potential investors.

Germans now awake each morning not only to fresh reports of attacks on refugee shelters in their own country, but also to details of the rapid loss abroad of the goodwill and trust West Germany's democratic institutions have spent the past 45 years working to achieve.

German politicians visiting Japan, Israel and the United States report being inundated with concerned questions about the very stability of German democracy, questions that hurt younger Germans confident that their generation has proven its rejection of authoritarianism.

The Goethe Institute, a government-funded organization that promotes German culture and language around the world, said the violence had produced a "dreadful wave of antipathy" toward Germany.

Hans Heigert, president of the institute, said the anti-foreigner violence had had a "direct impact" on the institute's work, including an attack on its Paris office in October, a one-third drop in enrollment in language courses in South Korea, and a 10 percent decline in the number of students traveling to Germany to attend institute classes.

SICK: Companies Getting Tougher

(Continued from page 1)

sick-leave applications, he said. Investigative firms, meanwhile, report a surge in business. Pinkerton's, one of the biggest, reports a growth in all forms of health-related fraud at companies.

"It's not new, but it's increasing," said Don Walker, Pinkerton's executive vice president. "You would expect to see that in a very tight economy."

But labor lawyers and others caution companies on the risk of invasion of privacy. Referring to TWA's form, Karen Ignagni, a health-care specialist at the AFL-CIO, said, "There's a line of corporate propriety that's been crossed here."

The form requests managers to supply information on the workers' physical restrictions, the names of the workers' physicians and therapists and for the dates of appointments with them.

It asks for the make and license plates of the workers' automobiles, for names and addresses of the workers' relatives and "associates," or friends, and for "trusted persons" to contact for additional information.

Carrie Shattuck, a Washington lawyer who served in the early 1980s as vice chairman of the Equal

Employment Opportunity Commission, said that keeping records of workers' medical conditions appeared to be a violation of federal law. Although federal law provides little protection of privacy, many state laws, while varying widely, are tougher.

Personnel experts see both fraudulent and legitimate reasons for rising sick-leave claims.

For example, they say that widespread layoffs among companies trying to survive the recession often result in added stress for the workers who are left.

Many, while fearing for their own jobs, are called upon to do the work of their laid-off colleagues. Some succumb to the stress and fall ill. Some, to get back at the boss, pretend to be sick and stay home.

"Work is not a nice place to be if you think you're going to be getting a pink slip," said Jan Douglas, an officer of William M. Mercer.

Typically, big employers allow workers 10 or 12 days of paid sick leave a year. If they do not become sick, they cannot take the days off. With rising tensions over job security, said John Mann, national director of investigations for Wackenhut Corp., a private security and intelligence company, "People say, 'Fuck. I'm going to take another day of vacation.'"

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Chinese Leader Visits Hanoi

By Nicholas D. Kristof
New York Times Service
BEIJING — Prime Minister Li Peng began a five-day visit to Vietnam on Monday, the first such visit by a Chinese leader in more than two decades, but relations between the Communist neighbors remain so strained that they threaten the peace in the region.

Mr. Li will be in Vietnam from Monday through Friday, in part to build on the normalization of Chinese-Vietnamese relations a year ago. But his visit is not expected to achieve any breakthrough on the territorial disputes along the two countries' land border and in the South China Sea.

China and Vietnam fought a brief border war in 1979, and there have been periodic skirmishes since then. This year China has issued a series of challenges to Hanoi by taking a more assertive posture toward its territorial claims.

Sensitive to charges that they have been bullying Vietnam, Chi-

nese officials are eager to portray the trip as a sign of the restored friendship between the former enemies.

"It will be a very important visit," said Wu Jianmin, the Foreign Ministry spokesman. "There is far more common ground between China and Vietnam than there are differences and problems between them."

[Mr. Li tried to calm Vietnamese fears on Monday by insisting that Beijing had no expansionist plans in the region, Reuters reported from Hanoi.]

"China will never seek hegemony nor practice expansionism, and at the same time it is opposed to hegemonism and power politics of all descriptions," he said in a speech at a dinner held in his honor by Prime Minister Vo Van Kiet.

One of the most important topics of discussions during Mr. Li's visit will be the dispute between the countries over the Spratly and Prata islands in the South China Sea. The islands are claimed fully or in

part by six nations in the region, but China is in the best position to back its claims by force.

In May, China signed a contract with a U.S. company to explore for offshore oil in a region of sea that is much closer to Vietnam than to China. Then in September, a Chinese ship began drilling near the Gulf of Tonkin, in waters that Vietnam claims as its own.

Western diplomats take no position on whose territory it is, but they warn that the dispute could lead to another Chinese-Vietnamese war, particularly if oil is found in the South China Sea.

China's trade minister, Li Lanqing, accompanied Prime Minister Li to Hanoi, and economic ties are also expected to be on the agenda.

Since relations were formally normalized in November 1991, air links have been restored and trade has soared. In the first nine months of 1992, two-way trade totaled \$104 million, more than three times the figure in the same period last year.



Prime Ministers Li Peng, left, and Vo Van Kiet in Hanoi on Monday. The bust is of Ho Chi Minh.

Apocalypse Now, Man! That's Where It's At In Ho Chi Minh City

By Thomas W. Lippman
Washington Post Service
HO CHI MINH CITY — Ton That Diep has seen the future, and it looks a lot like this city's tawdry past.

He figures there is good money to be made in Vietnam War nostalgia. With foreigners trooping to Vietnam — including a fast-growing number of Americans, despite the U.S. trade embargo — Mr. Diep reasoned that they will want a congenial place with a wartime theme, where they can stake their thirst for nostalgia with a Saigon 333 or Tiger beer and listen to '60s music as they tell tall tales about the Big Green Machine.

So, in April, Mr. Diep opened a bar called Apocalypse Now, and already it's the place to be in the late hours, when the rest of the city shuts down. It appears to be even more popular than its next-door rival, the B 475, as in Before '75, perhaps because Apocalypse Now's name and logo are emblazoned on T-shirts sold by street vendors, along with shirts bearing the words "Lift the Embargo NOW. Good Morning Vietnam."

The walls and ceiling at Apocalypse Now are entirely black, except for the paintings of helicopters, positioned so that the shafts of the ceiling fans are the rotors. The beer is cold and the music deafening, just like in the good old days. Vietnamese children push through the crowd selling cigarettes, postcards and day-old copies of the International Herald Tribune.

The noise and the visibly well-heeled foreigners attract crowds of locals hoping to cash in: cyclo drivers, fruit vendors, prostitutes on motorbikes ready to pursue pedestrians.

Apocalypse Now's clientele on one recent night included three doctors from Colorado on a medical aid mission, two young men from Massachusetts planning a bicycle trip to Hanoi, a group of Europeans who described themselves as "travelers" and a two-man television crew from Cleveland. Not the same as pilots for Air America, the CIA airline that carried advisers and supplies during the war, or contractors from the RMK-BRJ Construction consortium, which built airfields and other facilities for the U.S. military, perhaps, but dollar-paying customers nonetheless, and as the lyrics of old favorites floated above the smoke, they all seemed to be having a grand time.

Perhaps they would find the war less amusing a few doors away, in a makeshift art gallery upstairs from yet another bar, the Rhythm and

Booze, which features videos of women in skimpy leather outfits. In the gallery haog Thai Kha; Chuong's photographs from the spring of 1975, when South Vietnam fell to the Communist North.

The voluble Mr. Chuong was working for United Press International then and shot some of the most memorable pictures of South Vietnam's final agony: pan-stricken troops and refugees fleeing the approaching North Vietnamese Army; residents of Da Nang and Ban Me Thuot stampeding in a

The beer is cold and the music deafening, just like in the good old days.

vain quest for safety; desperate Vietnamese clinging to the skirts of departing helicopters; an American official punching a Vietnamese trying to clamber aboard an airplane pulling out of Nha Trang; pith-helmeted North Vietnamese troops entering the grounds of Saigon's presidential palace.

Mr. Chuong was present when the president of South Vietnam, Duong Van Minh — only in office one day — surrendered to the invading army.

Outside the presidential palace, Mr. Chuong had someone take a photo of him, with a big grin on his face, surrounded by North Vietnamese troops. It turned out, though, that he did not have much to laugh about. UPI kept its Saigon bureau open for weeks after the "liberation" of the city, but when its last American staff member left, Mr. Chuong remained behind to be sent to a "re-education" camp, where he was confined for several years.

Now he is a free man again, but he has to make a living. So he is selling enlarged reproductions of the photos on the wall for \$20 apiece.

When the bureau closed, he said, "UPI owed me \$2,000, and they never paid it."

Italian Leader to Visit U.K.

ROME — President Oscar Luigi Scalfaro of Italy will start a two-day official visit to Britain on Wednesday, his office announced Monday. Mr. Scalfaro will meet Queen Elizabeth II, Prime Minister John Major and Foreign Secretary Douglas Hurd.

Vietnam's Quiet MIA Search

300,000 Soldiers Are Missing From War Against U.S.

By Philip Shenon
New York Times Service
LANG SON, Vietnam — Mr. Thi Ha believes she is a widow. But apart from the faded, red-bordered government certificate proclaiming her husband a "Vietnamese martyr in the struggle against America," she has no proof of his death.

Mrs. Ha worries about calling herself a widow because she still does not know how or when or where her husband died, and she says she probably never will.

"Of course I understand how the Americans feel," she said. "When I read in the newspapers how the Americans come here to search for the missing soldiers, I know exactly the pain of the families. We share the same grief."

In Vietnamese homes, the red-bordered military death certificates are typically displayed in the finest wooden frame that a family can afford, and they are common household decorations. Like the families of many Vietnamese soldiers, Mrs. Ha received the certificate instead of a body that the Vietnamese Army could never find.

According to the Hanoi government, her husband, Captain To Van Thinh, and more than 300,000 other Vietnamese soldiers are still missing and can only be presumed dead from what many Vietnamese in the North still call the War Against America.

About 1.5 million Vietnamese were killed in the war — 185,000 South Vietnamese soldiers, 924,000 North Vietnamese and Viet Cong and 415,000 civilians. About 58,000 Americans died.

More than three-quarters of the Vietnamese missing are from central or north-central provinces, although the figure of 300,000 includes Viet Cong as well as tens of thousands of soldiers who served in the South Vietnamese Army.

There are death certificates on display everywhere in Lang Son, a city of merchants and small farmers on Vietnam's mountainous northern border with China.

Ancestor worship dominates the spiritual life of the Vietnamese, and it is considered essential that the remains of the dead be properly buried and venerated.

"If I could afford the trip, I would go south to look for my husband," said Mrs. Ha, a retired army cook whose only income, apart from gifts from her three children, is a \$5-a-month pension. "Even if I could not find him, I would like to try. I am not a religious woman, but I do know I would feel relief in my dreams if I know where my husband was buried."

The Vietnamese government, which is eager to resume diplomatic and economic ties with the United States, is careful not to offend American visitors by suggesting directly that the sacrifice of Vietnamese families was greater than that of families in the United States.

But when U.S. investigators come to Hanoi to press the Vietnamese to cooperate in the search for 2,265 Americans still listed as unaccounted for in Indochina, the Vietnamese will turn the conversation — slowly, carefully, inevitably — to the fact that so many more Vietnamese are also missing.

Hanoi's recent announcement that it will step up cooperation in the search for missing Americans by opening up its war archives is thought likely to result in a relaxation of a 17-year U.S. trade embargo against Vietnam.

Vietnam's Ministry of Labor, War Invalids and Social Affairs is responsible for trying to help Vietnamese families determine the fate of missing soldiers, but there is little it can do.

"Vietnam is a very poor country, and so the people must take responsibility for this themselves — this must be a people's campaign," said Nghiem Xuan Tue, a military spokesman.

Mr. Tue, a North Vietnamese soldier in the early 1970s, said it was common for northern soldiers to be buried hurriedly in a shallow grave marked only by a few stones.

Legionnaires Wear the Blue in Cambodia

PHNOM PENH — The French Foreign Legion arrived in Cambodia on Monday to begin its first UN peacekeeping mission.

"It's the first time the legion wears the blue beret," said an officer who identified himself only as Major Thierry.

More than 280 legionnaires,

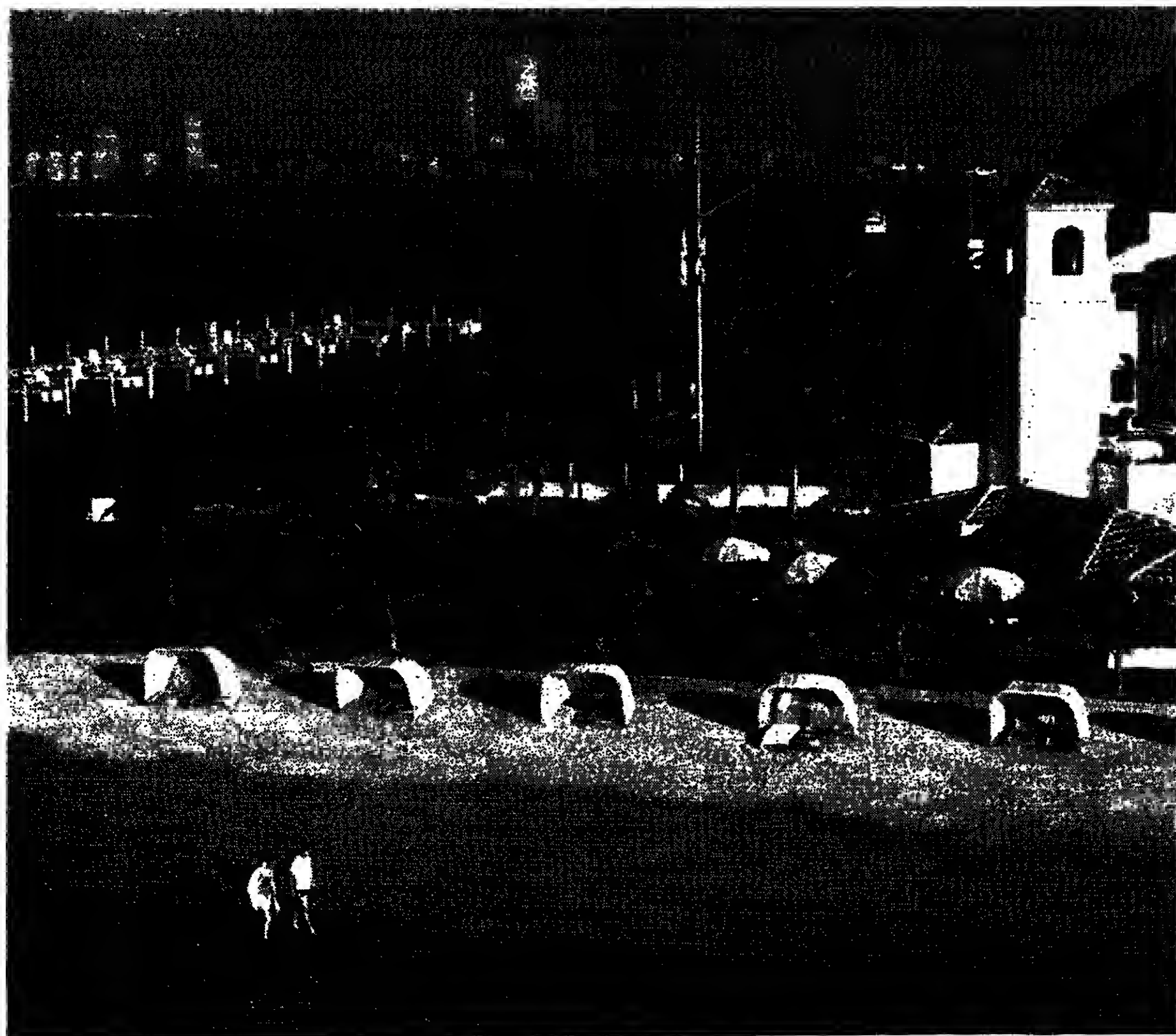
about a third of the planned deployment, arrived at Phnom Penh's international airport aboard a chartered Russian Aeroflot jet. They are bound for French military camps scattered through Kompong Som, Kampong and Koh Kong provinces in the south.

"The last time we were on a big operation was in the Gulf War," the major said.

The United Nations has a 22,000-member peacekeeping force of soldiers, police and civilian administrators in Cambodia.

Its task is to lead the country to elections next year.

The legion units deployed in Cambodia are airborne infantry, engineers and cavalry regiments, Major Thierry said.



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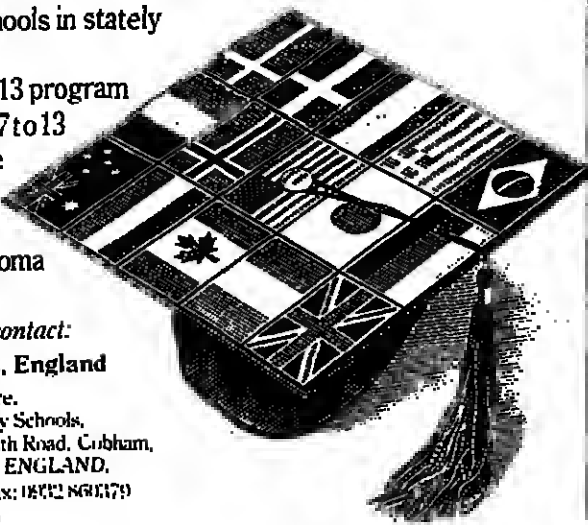
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Mr. Pucci made his debut in the 1950s, while Italy was rebuilding after the war and Italian high fashion was in its fledgling days. His bold-colored silk pajama pants, dubbed "palazzo pajamas," were inspired by the vivid colors of the picturesque island of Capri...

Theodore M. Edison, 94, Son of American Inventor. Theodore M. Edison, 94, an inventor, environmentalist and philanthropist who was the last surviving child of the inventor Thomas Alva Edison, died Tuesday in West Orange, New Jersey...

Albin Johnson, 102, a retired U.S. diplomat who in an earlier career as a foreign correspondent reported on some of the most important events of World War II and the period leading up to it, died Nov. 17 in Osterville, Massachusetts...

Blast Kills Spanish Guard. MADRID — One Civil Guard was killed and another seriously wounded Monday in a car-bomb blast on the outskirts of Madrid, news reports said. Blaque separatists were believed responsible for the explosion...

INTERNATIONAL CLASSIFIED

Today's INTERNATIONAL EDUCATION: SPECIAL DIRECTORY. Appears on Pages 9, 10 & 11. Includes sections for Business Opportunities, Real Estate, Personal, Announcements, and more.

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Style

'O Sole Mio' on the Runway

Behind Clowning, Franco Moschino Is Serious

By Suzy Menkes
 International Herald Tribune

LONDON — The models, wearing fronds of red and green chiffon, waved aloft Italian flags as they paraded round the circular runway. In the pit, "O Sole Mio" was trumpeted forth by the London Symphony Brass Ensemble, the words belted out in a rich tenor, while a moist-eyed Franco Moschino stood center stage.

"It is a very emotional moment," said the Italian designer who can claim a first in giving his retrospective fashion show a full orchestral accompaniment.

The benefit for the London Symphony Orchestra was organized by Alia Forte, an Italian living in England since her marriage seven years ago. She had gathered a smart young crowd — including Isabel Goldsmith, Deborah von Bismarck and Susan Sangster — some of whom had helped hang fruit and flowers in the orange trees that gave an Italian *terrazza* look to the tables in the Grosvenor House ballroom.

Forte, dressed in a snappy black-and-white pantsuit, called Moschino "the most controversial and creative of Italian designers."

"I love Moschino's clothes and everybody likes him — he is a man who has depth," she said as she sat with the conductor Michael Tilson Thomas, who had agreed to the orchestra playing a program from Bach through Leonard Bernstein's "West Side Story" to accompany the hour-long show.

The London show, to celebrate the new Moschino boutique at the Harvey Nichols store, was the first in two years, since the designer renounced the runway in favor of discreet presentations at his Milan showroom. His shows had been an integral part of the over-the-top 1980s, expressing at the same time a wacky energy and an ironic take on high fashion frenzy.

The London show opened with typical outfits of that period: a housewife's apron printed with the logo of status-symbol travel bags and a mock Chanel suit with faux-wood windmills twirling as its buttons. Moschino's wit seems prescient now that designer labels are no longer on a roll.

"At the beginning of the 1980s, the world and fashion were going through a strange period," says Moschino, who wore black jeans with pin-striped jacket to the black-tie benefit. "I arrived at the recession too early, in the middle of the 1980s, and I was completely wrong, because that was the moment when fashion became even more powerful, like a balloon that was growing too big. If you overdo something, it is because something else is missing. Fashion's face had to be made up, and during that makeup we put on too much lipstick. That's why in recent years collections have concentrated more on the beauty and the youth of the models than on the clothes."

The show included a wry comment on current fashion from the '93 collection: a model leading a fluffy white goose and wearing a dress printed with "I love fashion" and a picture of a "silly goose." She was surrounded by a flock of models in filmy dresses in the oen soft spirit of the 1990s. That is also typical of Moschino's capacity to make fashion while mocking it — or some might say having his cake and eating it. Next year, he celebrates 10 years in fashion, during which he has built up a serious business under the whimsical name of "Moschinos" and developed licenses with Affie, which produces both his Couture line (the exclamation mark is deliberate) and the lower-priced Cheap and Chic line, started in 1988. There are also jeans, menswear, children's wear and accessories.

So here is Moschino criticizing the fashion system and at the same time benefiting from it, as he puts his name on everything from bags to briefs that are sold in shops around the world. He is intelligent enough to sense the contradiction and even to feel tortured by it, and he saw the LSO London benefit as an opportunity "to do something more intelligent than fashion."

"All the funny actors are the saddest men," says Moschino to explain the paradox between his reputation as a fashion clown and the pessimism in his character.

"I criticize the fashion mind knowing that I am a fashion victim too," he admits. "I've always said that vanity is a human defect. My clothes are funny, stupid, silly or intelligent because I have a sense of humanity. But what about the idea of biting the hand that feeds him — of making fun of fashion while making money out of it?"

"I am like a painter. An artist does his painting with love and concentrates on the painting," he says. "Some galleries all over the world have found my painting interesting. But when the painting goes to the gallery, they don't belong to the artist any more."

Moschino started his career as a fashion illustrator, working for Gianni Versace and under the late fashion artist Antonio Lopez. Although the family business was a metal foundry, his father, who died when Moschino was a child, was apparently addicted to drawing.

The show suggests an artist dabbling in different genres rather than one who traces a firm silhouette that is unmistakably his own. The new collection expresses, he says, a new simplicity, which means dresses in crepe or chiffon taking over from tailoring; a "green" feel to soft layered outfits in wheat and white; a scent of the 1970s in crocheted vests with dangling fringe and Cypriot lay-ers in granny-print flowers.

Moschino, 42, who was in his 20s in the '70s, could be described as a founding member of the hippie brigade, rather than a designer who has just jumped on to the back-to-the-hippies bandwagon.

"The 1970s corresponded to a happy period in my life, when happiness was everywhere with hopes and a new freedom and nice things in the air," he says. "Now I do the hippies psychologically, whereas before it was more spontaneous."

The most memorable thing about Moschino's new collection is still the irrepressible irony — and this from a city where fashion is taken seriously and the current crisis treated as a grand-opera tragedy.

"Caviar stains" is proclaimed above a few splashes on an impeccable cream crepe dress; or a silhouette of the naked Josephine Baker is modestly ringed with a grass-skirt fringe round her and the dress's neckline. "Sorry, I'm Italian" announces an outfit across its chest. Although he says that he is proud of his country, that remark may be near Moschino's heart.

"Here in England you have a deep respect of history and of traditions," he says. "I am an Italian, being Italian, that the English have a real sense of humor and make fun of tradition. They are able to make old traditions make sense in the 1990s. It is a very sophisticated balance."

And what does Moschino think of being a favored designer of Princess Diana, who is usually off-beat to appear in British clothes, but fell for Moschino's takeoff on Chanel — a scarlet-and-black suit in outside houndstooth checks?

"I would have preferred if it were the queen," he says, without irony, and with the wistful smile of a fashion clown who longs to play it straight.



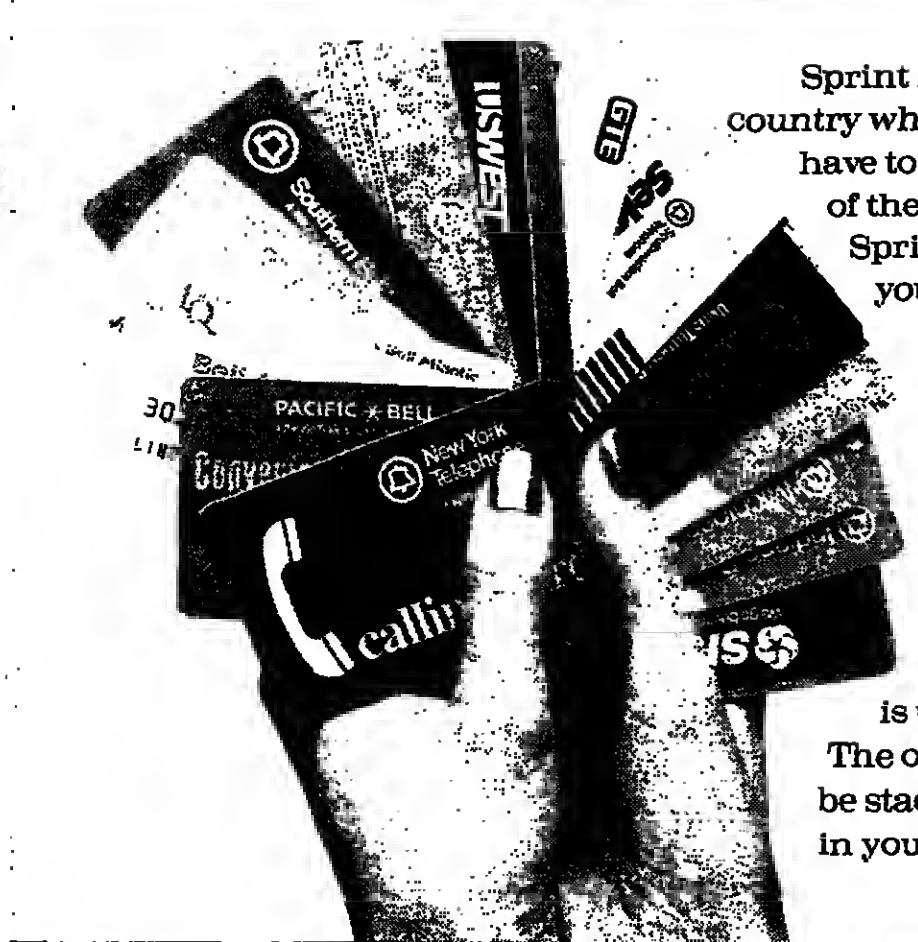
Clockwise from top left: Tilting at fashion with windmill buttons and crinoline poof; graphic stripes and lace-trimmed skirt; Franco Moschino at the London benefit; Alia Forte and Michael Tilson Thomas of the London Symphony Orchestra.



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STYLE MAKERS

Benjamin Hoff
 POOBHAH OF PIGLET

New York Times Service
 Here is Benjamin Hoff, little known best-selling author of "The Tao of Pooh" and "The Way of Zen," going bump bump bump down the road, carrying two passengers, a 1971 Oregon road map and a cargo of birdseed and laundry.

He is not waiting limousines. No book tours. No speaking engagements. No movie deals. All there is for the author of "The Tao of Pooh," (Dutton) now in its 10th week on the best-seller list (Piglet being the sequel to best-selling "The Tao of Pooh," published in 1982) is a rental car with a very flat tire loaded down with birdseed and laundry.

This is, bump, as far as he knows, the only way of life for a two-

time best-selling author, but sometimes he feels that there really is another way, bump, if only he could think of it. But then again, perhaps there isn't.

"I'm probably the most unknown two-time best-selling author in the country," mused the 45-year-old Hoff, in an unknown two-time best-selling author sort of a way.

Hoff and his two passengers were headed toward the town of Cannon Beach on the Oregon coast, so named "because some dodo found a cannon washed up on the beach, or thought he did," Hoff explained. It was here, near a Blustery beach surrounded by forests, that Hoff sequestered himself on the ground floor of a house with wooden shingles — "a place for Clear Thinking" — and channeled himself into a Very Small Animal with excited ears known as Piglet.

"Did you tell her about the box?"

in your bedroom?" said Deborah Newman, his fiancée, trying to be useful.

"What box?"

"The toy box."

"Oh, the box. Um, er, uh, well. The box. Hummmmmmm."

Among the few possessions in the place for Clear Thinking is a stuffed owl named Socrates; an electrical foot massager; neat stacks of the Quarterly digests of the American Society of Downers and approximately 50 boomersangs. There are boomersangs for every occasion: light L-shaped boomersangs for Maximum Time Aloft, question mark-shaped weighted boomersangs for long distances.

Published in hardcover in 1982, "The Tao of Pooh" has sold nearly a million copies, each year surpassing the one before it. When "The Tao of Pooh" was released two-and-a-half months ago, it immediately jumped to the best-seller list. The little book is, in the words of Patricia Klein, a buyer for Waldenbooks, a "book-seller's dream — a word-of-mouth book that has found its own legs." Somewhat to the surprise of its author, and most certainly to the astonishment of his publisher, Piglet has sold more than 200,000 copies to date.

Hoff, a quiet, slightly nervous former Japanese tree pruner, potter, antiques restorer, graphic artist, hospital orderly, investigative reporter and janitor, submitted the "Tao of Pooh" to Dutton, publishers of the original "Winnie the Pooh," without an agent — an accomplishment he only recently achieved.

When he approached Dutton with the "Piglet" idea, they told him, in an Eeyore-like fashion, "Don't expect too much," he said. He didn't. Up until five years ago, Hoff, who has an elastic mime-like face and body and elegant purple lips, was not earning enough in royalties to support himself as a writer (for rights to quote the Pooh books and use the drawings Hoff pays 33.3 percent of the paperback profits to the A. A. Milne estate).

Still, he has been, as he remarks wryly in "Piglet," a Remarkable Success, a Tiger (zealous Tiggers can only climb upward, otherwise their tails get in the way). But Remarkable Success lies in part in The Perception of Situations: in other words, It All Depends. In an age of chain-store philosophers and advice for the spirit-lorn, the Taoist author's profile is so low that even his editor hasn't met him.



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Patricia Leigh Brown

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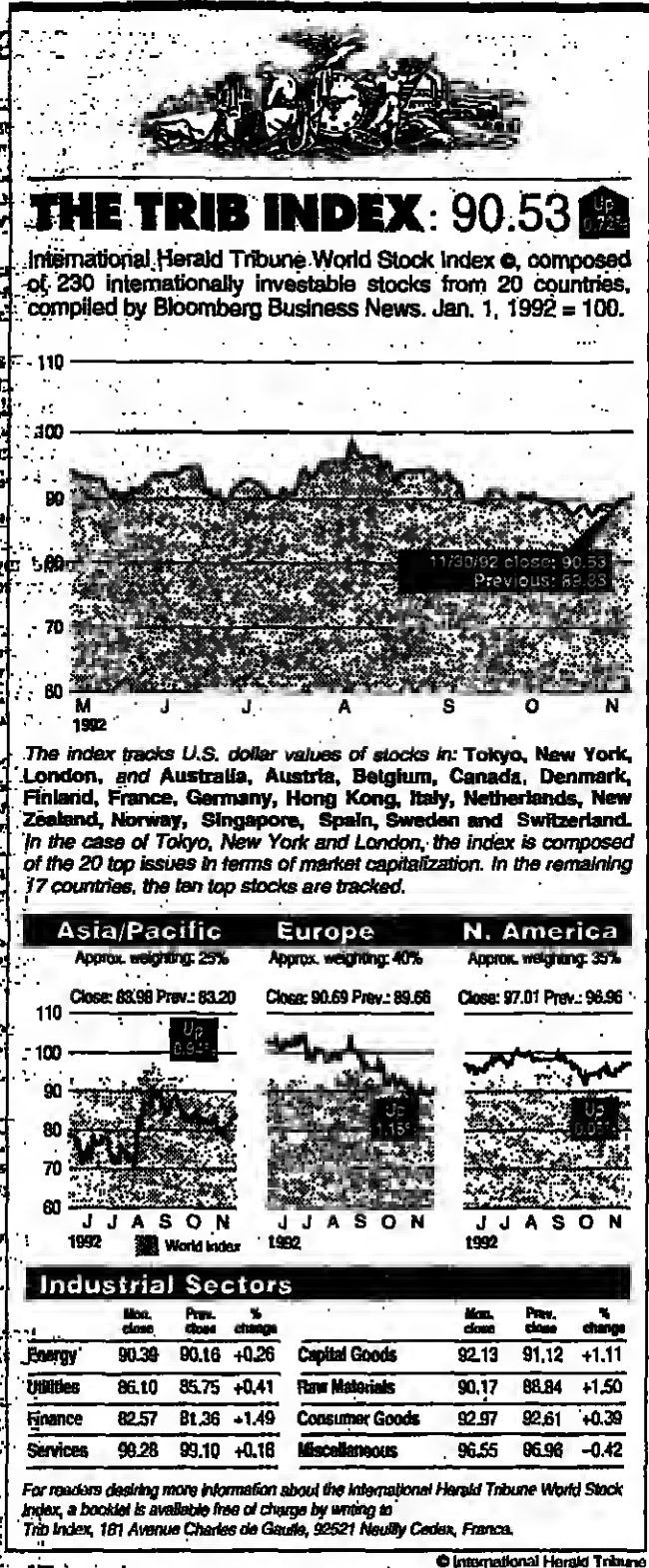
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International Herald Tribune, Tuesday, December 1, 1992

Page 13



German Small Business Feels the Chill

By Brandon Mitchener. International Herald Tribune. FRANKFURT — While well-known names in corporate Germany for months have sensed a gathering gloom...

British Markets Come Up With a Reason to Believe

By Erik Ipsen. International Herald Tribune. LONDON — After two years of unrelenting gloom, the British financial community is being swept by an epidemic of optimism...

Clinton Plans Changes at Commerce Department

By Keith Bradsher. New York Times Service. WASHINGTON — The Malcolm Baldrige National Quality Award — three rectangles of crystal mounted on an aluminum base — sits on a coffee table in the office of Commerce Secretary Barbara H. Franklin...

INTERNATIONAL STOCKS

Market Support in Tokyo Smacks of Short-Termism

By Steven Brill. International Herald Tribune. TOKYO — The Japanese government, whose famed ability to manipulate share prices has been considered another victim of the bursting of the bubble economy...

Japan Said Near Decision To Drop Rice-Import Ban

Compiled by Our Staff From Dispatches. TOKYO — The Japanese government has made an informal decision to drop its ban on rice imports and use tariff restrictions instead...

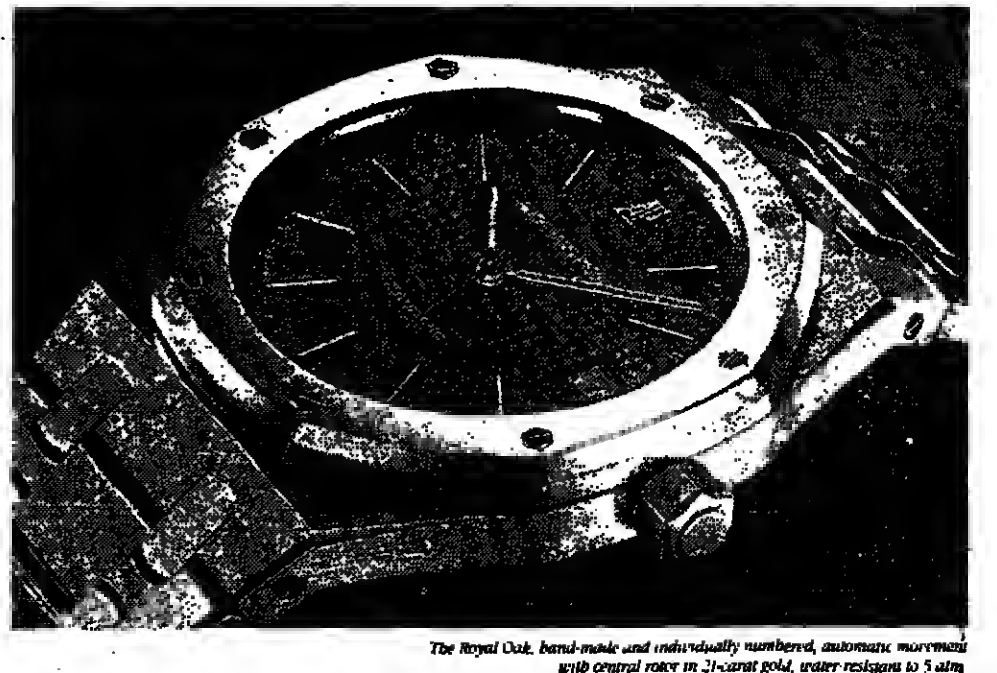
Rome and Paris Sift Farm Deal

Compiled by Our Staff From Dispatches. ROME — France pressed Italy on Monday to support its campaign against the U.S.-EC farm deal, but the Italian bought time, saying they had yet to see the full text of the controversial accord...

U.S. Plans Duties on Steel Imports, Says 12 Nations Subsidize Industry

Bloomberg Business News. WASHINGTON — Steel manufacturers from 12 countries have been selling improperly subsidized steel products in the United States, the Commerce Department said Monday...

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CURRENCY & INTEREST RATES

Table with multiple columns: Cross Rates, Eurocurrency Deposits, Key Money Rates, Forward Rates, and Gold. Includes various financial data points and interest rates.

MARKET DIARY

Cheerier Outlook Bolsters Blue Chips

Bloomberg Business News NEW YORK — Expectations of a robust economic recovery helped U.S. stocks advance Monday for a fourth consecutive session. Stocks also received a boost from gains in European markets.

Everybody has a good feeling about the economy and the market reflects that, said Richard Meyer, head of institutional trading at Ladenburg, Thalmann & Co.

The Dow Jones industrial average rose 22.96 to close at 3,305.16, led by International Business Machines Corp., which was recommended by Smith Barney.

The gain in the Dow Jones industrial average, however, was a broader market average for a fourth straight session. Still, the Nasdaq combined composite index and Standard & Poor's 500 closed at record levels.

Advancing common stocks outnumbered declining issues by about 9 to 5 on the New York Stock Exchange. About 217 million shares were traded, up from 106 million on Friday, when the market closed two hours early.

The rise in U.S. stocks followed a month before, but the important employment component slid to 46.1 from 50.6.

That seemed to suggest that the improvement in U.S. output seen recently comes from productivity alone and sounds a note of caution for this Friday's key November employment report.

Traders said there were already signs of a reduction in liquidity by players reluctant to risk profits ahead of the year-end.

Those traders who want a livelier market are hoping that this week's U.S. data, and especially Friday's payrolls, may stir some interest.

On Tuesday, market attention will be focused on the National Association of Purchasing Management survey for November.

In European currency trading, the Irish punt survived the weekend despite expectations on Friday of an impending devaluation. It was hoped higher Monday by a combination of existing exchange controls, huge rises in Irish interest rates and talk of central-bank intervention.

The punt rose to 2.6438 DM from 2.6243, although the French franc seemed to suffer in its place and slid to 3.3973 per mark from 3.3925 on Friday.

A potential market mover on Monday, the Chicago purchasing management index, proved too mixed to be much benefit, analysts said. The main index rose to 54.2 in November from 49.7 the

0.68 percent gain in London's Financial Times-Stock Exchange 100 index to a record close of 2,778.8. The rally was fueled by reports that November money supply increased at an annual rate of 3 percent. Meanwhile, France's CAC 40 index rose 1.24 percent and Germany's DAX index added 1.40 percent.

On the economic front, investors received more positive news. The Purchasing Management Association of Chicago said manufacturing activity increased in November. Meanwhile, retail stores are reporting strong sales to the first few days of the Christmas selling season.

Texas Utilities, which goes ex-dividend on Tuesday, was the most active issue, up 1/4 to 42 1/2.

Blockbuster followed, up 1/2 to 17 1/2. Shamrock Holdings, controlled by the investor Roy Disney, sold 3.1 million Blockbuster shares Monday for about \$53.6 million. Shamrock acquired about 4.1 million Blockbuster shares as payment for the Sound Warehouse & Music record chains it sold to Blockbuster. Shamrock plans to sell the remaining shares soon.

IBM rallied 2 1/2 to 68 1/2 on reports that sales of its new personal computers were exceeding expectations. Smith Barney raised its rating on IBM's stock to "speculative buy."

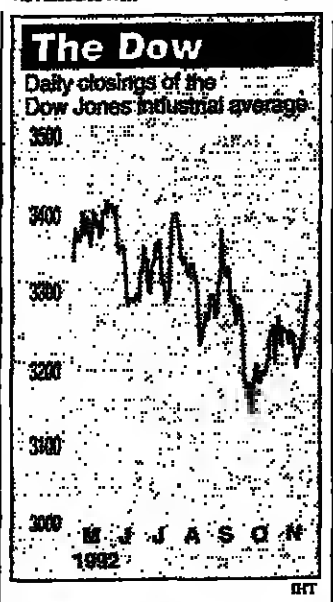


Table titled 'Dow Jones Averages' showing various market indices and their performance. Columns include Index Name, Open, High, Low, Last, and Change. Indices listed include Industrials, Utilities, Finance, and S&P 500.

Table titled 'Standard & Poor's Indexes' showing various market indices and their performance. Columns include Index Name, High, Low, Close, and Change. Indices listed include Industrials, Utilities, Finance, and S&P 500.

Table titled 'NYSE Most Active' showing the most active stocks on the New York Stock Exchange. Columns include Stock Name, Vol., High, Low, Last, and Change.

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Table titled 'NASDAQ Diary' showing a list of stocks and their performance. Columns include Stock Name, Change, Prev., and Price.

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Table titled 'S&P 100 Index Options' showing various S&P 100 index options and their performance. Columns include Option Name, Bid, Ask, and Price.

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American Airlines Trims 576 Jobs

FORT WORTH, Texas (Combined Dispatches) — AMR Corp., parent of American Airlines, on Monday eliminated 576 management positions as part of its effort to trim expenses by \$300 million next year.

The largest U.S. airline, which has had hundreds of millions of dollars in losses in the past two years, laid off 286 people and accomplished the rest of the reduction through a voluntary severance incentive program. AMR employs 98,000 people, including 9,600 management employees.

Meanwhile, PWA Corp., which is negotiating the sale of a stake to AMR, said it had temporarily stopped payments on major loans and leases while it tries to restructure its debts. (Bloomberg, AP, Reuters)

Pepsi Plans Up to \$1 Billion Charge

PURCHASE, New York (Combined Dispatches) — PepsiCo Inc. said Monday it expected to take charges in the fourth quarter of \$750 million to \$900 million because of new accounting rules regarding income taxes and post-retirement benefits to employees.

PepsiCo also said it would take a charge against fourth-quarter earnings of about \$125 million for restructuring its domestic beverage operations and several international operations. (APX, Reuters)

Reynolds Charge Is \$827 Million

RICHMOND, Virginia (Reuters) — Reynolds Metals Co. said Monday that it would take total after-tax charges of about \$827 million against 1992 results.

The company said the charges reflect adoption of new post-retirement benefits and income-tax accounting standards, as well as additional environmental and restructuring costs.

GE Buys Truck-Trailer Business

STAMFORD, Connecticut (Bloomberg) — General Electric Co.'s GE Capital unit said Monday that it had bought TransAmerica Corp.'s over-the-road trailer leasing business in the United States for \$200 million.

GE Capital's Transport International Pool will acquire about 19,000 over-the-road trailers in the transaction, bringing its holding to about 62,000 trailers. It becomes the largest truck-trailer lessor in the country.

For the Record

Dell Computer Corp., which has started most of the discount wars in the personal computer industry this year, slashed prices on its discount Dimension-by-Dell line as much as 18 percent.

Fiber Corp. said it would divest its Doe Run Co. unit, the largest integrated lead producer in North America, and take a \$95 million charge against 1992 earnings.

ARCO Oil & Gas Co. announced agreements to sell 146 of its U.S. oil and gas properties for \$362 million to three Texas companies, the largest of which will go to Anadarko Petroleum Corp. of Houston.

AGCO Corp. is to pay \$110 million for the North American distribution operations of Varsity Corp.'s Massey Ferguson unit and a 50 percent stake in Varsity's Agricredit Acceptance Corp. unit.

Weekend Box Office

LOS ANGELES — "Home Alone 2: Lost in New York" led U.S. box office results for the second week, as the movie industry had its strongest Thanksgiving showing ever. Following are the long weekend's Top 10, based on estimated receipts from Wednesday to Sunday.

Table showing the weekend box office results for the top 10 movies. Columns include Rank, Title, and Gross Receipts.

Dollar Slithers Lower In Post-Holiday Lethargy

NEW YORK — The dollar slipped against European currencies on Monday as a dearth of fresh economic news kept trading dull.

"A lot of people are just position-squaring," said Judy Rubenstein, a vice president at BankAmerica. "And the market is a bit in the doldrums after the vacation."

Many U.S. traders took a four-day weekend for Thanksgiving. Traders cited the slightly calmer tone in Europe's exchange-rate mechanism as another excuse for inactivity on the dollar.

The dollar fell nearly a penny against the Deutsche mark, closing at 1.5903 DM after 1.5987 DM on Friday. The U.S. currency also eased to 1.4340 Swiss francs from 1.4395 francs and to 5.4065 French francs from 5.4275. The pound moved up to \$1.5155 from \$1.5120.

The dollar rose a little against the yen, to 124.60 yen from 124.40. A potential market mover on Monday, the Chicago purchasing management index, proved too mixed to be much benefit, analysts said. The main index rose to 54.2 in November from 49.7 the

Market Sours on OPEC Pact

NEW YORK — Oil prices plunged to an eight-month low on Monday as U.S. traders reacted from a four-day weekend called OPEC's recent meeting a failure and lowered their bids for crude.

While the U.S. market was closed for the Thanksgiving holiday, ministers of the Organization of Petroleum Exporting Countries, meeting in Vienna, approved a production ceiling of 24.9 million barrels per day.

New York's January light sweet crude contract fell to \$19.89 a barrel, down 38 cents per barrel from Friday. In late trading, the world benchmark crude, North Sea Brent Blend, was at \$19.21 a barrel, up from \$18.95 on Friday.

WORLD STOCK MARKETS

Table showing world stock market performance across various regions including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and Tokyo. Columns include Index Name, Close, Prev., and Change.

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Dutch Form \$7 Billion Office Supplies Concern

AMSTERDAM — The Dutch paper maker KNP said Monday that it would take over the diversified paper company VRG and the office-supplies concern Bührmann-Tetterode...

Suez Breaks Off Talks With UAP Over Victoire

PARIS — Compagnie de Suez's chairman, Gerard Worms, said talks with Union des Assurances de Paris over the future of their shareholdings in Groupe Victoire had broken down...

Norway Cuts Rates, Punt Still Pressured

Norway cut its key short-term interest rates on Monday after fending off speculative pressure on the krona, but pressure for a devaluation grew in Ireland as the punt remained on the floor of Europe's exchange-rate mechanism...

Investor's Europe

Table with columns for Exchange, Index, Monday Close, Prev. Close, and % Change. Rows include Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CBS Trend, Brussels Stock Index, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvaerlden, Vienna Stock Index, Zurich SBS.

REBOUND: Confidence Leads America's Comeback

(Continued from page 1) Clinton had done the most to raise their confidence in the economy. "A lot of this is psychological," Mr. Della Femina said. "Almost all of it, in fact. We talk ourselves into recovery. This is Clinton's chance to allow us to talk ourselves into a recovery..."

COLONY: China Raises Stakes in Hong Kong Feud

(Continued from page 1) build a new airport in the territory. "It's horrific," Emily Lau, a Hong Kong legislator, said in a telephone interview. "They're intimidating the Hong Kong people. They're trying to bring Hong Kong to its knees. They will resort to anything..."

Very briefly:

- Russia will allow holders of privatization vouchers to buy government-owned property worth 1.5 trillion rubles (\$3.4 billion) in 1993; additional private sales could bring in another 340 billion rubles.
• British Telecommunications PLC won a contract to modernize the telecommunications network of St. Petersburg worth millions of pounds in the first year alone; it will install a permanent telephone connection by satellite between the city and more than 200 countries.
• Ferrari will lay off 950 workers, or about half its work force, from Dec. 14 through Dec. 24 because of the worldwide crisis in the auto market; the carmaker idled 970 workers for 13 days in November.
• Bang & Olufsen Holding A/S, the Danish audio- and video-equipment maker, will cut 400 jobs from its 3,000-strong work force as part of a restructuring plan; it hopes to save 160 million kroner (\$25.9 million).
• Britain decided not to refer Tomkins PLC's agreed bid for Ranks Hovis McDougall PLC to the Monopolies and Mergers Commission.
• Israel's sale of its 42 percent stake in IDB Holdings Corp. was 127 times oversubscribed, with orders totaling 65 billion shekels (\$24.7 million) for the 510 million shekels of equity on offer.
• Atlas Copco AB of Sweden said it would acquire Craefius AB, the engineering company, from Diamant Boart SA of Belgium.
• Pechiney SA of France plans to cut 337 jobs from its 3,954-person work force; the proposal comes as part of a restructuring under which its annual aluminum output would be cut by 110,000 metric tons because of widespread problems in the industry.

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK Chapter 11 Case No. 92 B 40677 (BRZ) R. H. MACY & CO., INC., et al. Debtors. Chiefly Administrators

NOTICE OF ENTRY OF BAR ORDER EXEMPTING DAY TO FILE PROOFS OF CLAIM AGAINST DEBTORS

PLEASE TAKE NOTICE, that the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") has entered an order on October 14, 1992 (the "Bar Order") regarding all persons and entities, including, without limitation, creditors, secured and unsecured creditors, and all persons and entities, EXCEPT THOSE PERSONS AND ENTITIES DESCRIBED IN PARAGRAPHS A THROUGH C BELOW, that assert a claim (as defined below) against any of the Debtors (collectively, the "Debtors") set forth below which are due to the Debtors on or before December 31, 1992 (the "Bar Date").

PLEASE TAKE FURTHER NOTICE THAT ALL PERSONS AND ENTITIES OTHER THAN THOSE DESCRIBED IN PARAGRAPHS A, B AND C ABOVE MUST FILE A PROOF OF CLAIM OR BEFORE THE DECEMBER 31, 1992 BAR DATE. SUCH PROOF OF CLAIM MUST BE WRITTEN IN ENGLISH AND MUST BE FILED WITH THE CLERK OF THE COURT IN ACCORDANCE WITH THE RULES OF THE BANKRUPTCY COURT AND THE SCHEDULES OF LIABILITIES PREVIOUSLY FILED WITH THE CLERK OF THE BANKRUPTCY COURT.

PLEASE TAKE FURTHER NOTICE THAT ANY OR ALL PERSONS AND ENTITIES WHOSE CLAIMS ARE NOT AFFECTED BY THIS BAR ORDER AND THEREFORE ANY PERSON OR ENTITY THAT HAS AN EXCLUDED CLAIM NEED NOT FILE A PROOF OF CLAIM ON OR BEFORE THE BAR DATE FOR SUCH EXCLUDED CLAIM.

- A. Any Debtor on account of an intercompany claim against another Debtor;
B. Any non-Debtor subsidiary or affiliate on account of an intercompany claim against any Debtor;
C. Holders of claims allowed by an order of the Court entered on or before the Bar Date; and
D. Any holder of a claim arising from the rejection of an executory contract or unexpired lease that is not a claim against a Debtor, or a contract or lease that is not a claim against a Debtor, or a contract or lease that is not a claim against a Debtor.

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BRITAIN: Things Look Better

(Continued from first finance page) tional, now boldly forecasts that "Christmas will happen." "Retailers set their sales budgets four or five months ago when base rates were 10 percent but they will now be selling in a period when rates have fallen to 7 percent," said Mr. Alun-Jones, speaking of the banks' key interest rate against which other rates are set. As a result, he believes that sales will exceed store owners' expectations, growing at an inflation-adjusted rate of 2 percent. That is still small potatoes compared with the average 5.1 percent annual growth logged in the late 1980s but it is quite a sweet switch from the recessionary norms of the 1980s. Many analysts remain convinced that it is too early to be optimistic. They point to such nagging problems as the effects of house price deflation on consumer confidence and of the continuing slowdown in demand in Britain's top export market, the European continent. "There have been so many bear stories it is nice to be able to pick out something hopeful," conceded Peter Warburton, an economist with the merchant banking house Robert Fleming. "But putting so much emphasis on the odd hopeful sign is itself an indication of a negative reality."

MITTELSTAND: Hopes Sag

(Continued from first finance page) are relatively shielded from the regional shift in priorities. In the first eight months of the year, public sector construction demand fell a real 3.8 percent, while residential construction rose a real 8.8 percent. Predictably, East German Mittelstand businesses tend to be more optimistic about their prospects than their West German counterparts. "They have nowhere to go but up," said Mr. Harbe. In the survey, 14 percent of East German respondents saw an improvement in the economic environment by the middle of next year, 50 percent saw no change and 36 percent a worsening. While many Mittelstand firms can count themselves lucky not to be dependent on foreign trade in a time of costly currency turmoil, others with moderate or niche ex-

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REPUBLIC NATIONAL BANK OF NEW YORK MANHATTAN SAVINGS BANK Freddie Mac recognizes that Republic New York Corporation and its subsidiaries have helped set the quality standard in mortgage lending. And we are happy to lend a hand with our most recent transaction - an \$800 million commitment, including 30- and 15-year fixed-rate mortgages. Thanks, Republic. We appreciate the opportunity to prove our commitment to the highest level of customer service. Our relationship means a lot to us, for as thousands of Americans, it's pure gold. Discover Gold. Call Freddie Mac.

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Freddie Mac

THE IDEA BEHIND ONE IN EIGHT AMERICAN HOMES

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	High	Low	Open	Close	Change
IBM	114 1/4	113 1/4	113 3/4	114 1/4	+ 1/4
Microsoft	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Apple	43 1/4	42 1/4	42 3/4	43 1/4	+ 1/4
Oracle	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Novell	31 1/4	30 1/4	30 3/4	31 1/4	+ 1/4
Lotus	21 1/4	20 1/4	20 3/4	21 1/4	+ 1/4
McAfee	11 1/4	10 1/4	10 3/4	11 1/4	+ 1/4
Intuit	11 1/4	10 1/4	10 3/4	11 1/4	+ 1/4
Visa	11 1/4	10 1/4	10 3/4	11 1/4	+ 1/4
MasterCard	11 1/4	10 1/4	10 3/4	11 1/4	+ 1/4

Symbol	High	Low	Open	Close	Change
AT&T	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4

■ The New Clinton Administration
■ GATT Negotiations
■ The European Monetary System
■ Mideast Peace Prospects
■ Crisis in Sarajevo
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Finland	2,200	3,600	1,200
France	1,800	3,000	900
Germany (incl. hand delivery)	645	1,000	345
Great Britain	190	280	105
Greece	65,000	91,000	36,000
Ireland	220	340	130
Italy	450,000	620,000	250,000
Luxembourg	13,000	21,000	7,100
Netherlands	710	1,100	390
Norway	3,300	5,000	1,600
Portugal	45,000	70,000	28,000
Spain	45,000	69,000	28,000
Sweden (incl. hand delivery)	55,000	81,000	32,000
Switzerland	3,300	5,000	1,600
Rest of Europe, N. Africa, former French Africa, Middle East	620	900	345
Gulf States, Asia Central/Latin America	780	1,100	430
Rest of Africa	900	1,300	495

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Published by The New York Times and The Washington Post

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Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
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Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4
Amgen	41 1/4	40 1/4	40 3/4	41 1/4	+ 1/4

Softer Yuan Fuels Talk Of Freeing Currency

Compiled by Our Staff From Dispatches

BEIJING — The Chinese currency eased steadily against the U.S. dollar during November amid rumors that the government was weighing a move to make it freely convertible.

At the same time, the country was moving to revise its constitution for the first time in a decade in order to enshrine the government's shifts toward a market economy, the China Daily reported.

It said an official symposium here last week of top legal scholars had concluded that constitutional guarantees were needed as soon as possible to protect the changes.

"Some articles of the constitution obviously do not suit the current situation," the newspaper quoted participants as saying, adding that it was "time to provide a constitutional basis for the development of a socialist market economy."

Bankers and businessmen in Beijing said there had been a spate of rumors recently that the government would soon announce that the yuan would be made convertible as part of China's drive to re-enter the General Agreement of Tariffs and Trade.

One dollar bought 5,705.5 yuan on Monday, against 5,540.6 yuan on Nov. 1, according to rates published by Xinhua news agency. That represents a decline of nearly 3 percent.

Raymond Yu, head of the China division at Bank of East Asia, said, "The People's Bank of China told us that they are seriously considering the issue." He added that he was optimistic China would allow foreign banks to do business involving the yuan in one year.

Bringing the official rate for the yuan in line with market rates is an important first step before any changes can happen, economists said. China has repeatedly said its goal was to internationalize the currency.

As part of its economic reforms, two years ago China began letting the official rate for the currency gradually change value in what officials called a "controlled float." But it has kept in place a complex system of two currencies.

One, the yuan, is not supposed to be convertible into dollars or other hard currencies. The other, called foreign-exchange certificates, can be exchanged under certain conditions. (Reuters, AFP)

Taiwan to Ease Rules On Remitting Gains

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan will remove a major restriction on foreign investors in its stock market as part of a rescue plan for the slumping bourse, the Securities and Exchange Commission said Monday.

Foreign institutions will be allowed to remit capital gains freely to their home countries after an initial three-month period, instead of once a year, as under current rules, a senior SEC official said.

"We believe the revised rules will attract more foreign institutions to Taiwan," he said. The change was expected to take effect in the first half of next year, he added.

The Taiwan Stock Exchange all but ignored the comments, however, with the weighted index losing 11.13 points Monday to finish at 3,675.01 in light trading.

Dealers said trading was expected to remain light ahead of the Dec. 19 legislative elections.

Foreign institutional investors have been slow to move into Taiwan's stock market since it was opened to them at the start of last year. Many fund managers have cited the restrictions on remittances as a major obstacle.

So far, 33 foreign institutions have received approval to bring a total of \$1.44 billion into Taiwan, far less than officials' original target of attracting up to \$2.5 billion in the first year.

Other changes announced by the commission in the past few weeks include plans to open the market to foreign stockbrokers and the licensing of 11 new investment-trust firms, which have foreign participation. (Reuters, Bloomberg)

Surprise Widening of Deficit Hammers Australian Dollar

Compiled by Our Staff From Dispatches

CANBERRA — An unexpected surge in the current-account deficit sent the Australian dollar into a tailspin Monday and raised fears among investors that the country's debt could soon be downgraded.

The Bureau of Statistics said the current-account deficit widened 20 percent in October, to a seasonally adjusted 1.8 billion dollars (\$1.2 billion), after a 1.5 billion dollar shortfall in September.

The figure came in above investors' forecasts by 600 million dollars to 700 million dollars.

"A shocking figure," said Richard Sheehan, a bond trader at Hambros Securities. "Moody's said recently it was concerned about the current-account deficit. This must be paramount in their minds."

The Australian dollar fell 0.8 percent from its opening level, to close at about 68.30 U.S. cents. Several times during the day, the dollar tested five-year lows at

about 68.20 cents. The Reserve Bank of Australia repeatedly intervened in the market during the afternoon to hold the dollar above that level, traders said.

"The dollar's prospects look pretty seedy at this stage," said Paul Kimmel, manager for corporate business in the foreign-exchange desk at Westpac. "It will be a battle between the RBA and a market that wants to push it lower."

Bill Evans, chief economist at Westpac Bank, said the deteriorating trade figures and the weakness of the Australian currency made any further cut in the key official 5.75 percent interest rate remote.

Although the central bank's board of governors is to meet Tuesday, analysts said they do not expect a change in rates.

Meanwhile, the Reserve Bank governor, Bernie Fraser, was upbeat on the economy in comments to the Committee for the Economic Development of Australia.

He said that the recovery was "proceeding, albeit gradually," and that he was confident "present policies" would see the pace of recovery "gather momentum over the year ahead."

It was his belief, he said, that growth could climb to about 4 percent by the end of next year. The government has forecast year-on-year growth at 3 percent to June 1993, and 3.75 percent through the year. The economy grew 0.4 percent year-on-year to June 1992.

Mr. Fraser said that consumer-price inflation was expected to gather pace over the next year, although underlying inflation would remain low.

He added that the depreciation of the Australian dollar would only temporarily boost inflation, provided there were no secondary effects on prices and wages. Given the spare capacity in the economy and the weak state of the labor market, he said, any such secondary effects were "likely to be minimal."

The Statistics Bureau said the unadjusted current-account deficit in October widened to 2.04 billion dollars, from 1.72 billion dollars.

Exports in the month plunged 11 percent, after rising to a record in September, while imports were off 4 percent, producing a merchandise-trade deficit of 310 million dollars.

Exports in the month totaled a seasonally adjusted 4.68 billion dollars, while imports stood at 4.99 billion dollars.

The government has predicted the current account will show a deficit of 15 billion dollars for the year ending June 30. For the first four months, the deficit totaled 6.6 billion dollars. (Bloomberg, Reuters)

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
700	1600	28000		
6500	1500	1825		
6000	1400	1650		
5500	1300	1475		
500	1200	1250		
Exchange Index Monday Close Prev. Close % Change				
Hong Kong Hang Seng		1,468.07	1,447.96	+1.46
Singapore Straits Times		1,448.18	1,450.80	-0.18
Tokyo Nikkei 225		17,883.65	17,470.61	+4.22
Kuala Lumpur Composite		641.89	640.48	+0.22
Bangkok SET		865.21	869.49	-0.49
Seoul Composite Stock		683.36	662.94	+1.60
Taipei Weighted Price		3,675.01	3,686.14	-0.30
Mumbai Composite		1,263.58	1,263.58	Unch.
Jakarta Stock Index		285.60	284.66	+0.33
New Zealand NZSE-40		1,547.37	1,545.27	+0.14
Bombay National Index		1,154.00	1,144.10	+0.87

Very briefly:

Taiwan received a visit Monday from the U.S. trade representative, Carla A. Hills, the first cabinet-level American official to visit since Washington switched diplomatic recognition from Taipei to Beijing in 1979. Mrs. Hills said she would discuss trade and commercial issues.

South Korea's composite stock index rose 1.6 percent on Monday, to 663.36, and is expected to rise further on expectations that the Bank of Korea will cut its rediscount rate, which stands at 7 percent.

The Beijing Hong Kong Trade and Investment Fair ended in Hong Kong with the signing of 633 contracts, agreements and letters of intent to invest \$20.4 billion in the Chinese capital, the People's Daily newspaper reported, doubling the amount of approved foreign investment in Beijing.

Mankwang Construction Co. of South Korea said it would take part in a \$1.6 billion project to build an international airport and a hotel in Jilin Province in northeastern China.

Japan's October housing starts rose 10.3 percent from a year earlier to 124,816 units, the fifth consecutive monthly rise; the report helped push the Nikkei average up 1.22 percent, to 17,883.65.

China will open its first oil exchange, in Nanjing, to handle spot and futures transactions in the first quarter of next year, an official said.

Singapore Airlines has taken a 20 percent stake in a joint venture to build a 600-room deluxe hotel in Singapore; the cost was estimated at 450 million Singapore dollars (\$276 million).

India has put 14 state companies up for sale in the second phase of its divestment program aimed at raising 35 billion rupees (\$1.34 billion).

Kolassni Denzhi Denzwa Co. of Japan will launch direct-dial telephone services to and from the Russian Far East in January.

Taiwan Aerospace Corp. said it was in talks with Daimler-Benz AG to form a joint venture to build a high-speed rail system in Taiwan.

Toshiba Corp. has agreed to form a joint venture in Shanghai to produce parts for television picture tubes for the Chinese market and for its plants in the United States and Thailand.

Nissan Motor Co. is negotiating with Saigon Motor Corp. to assemble minibuses in Vietnam. (Reuters, Bloomberg, AFP)

Tokyo-Brussels Talks Weigh Japan Car Exports

Compiled by Our Staff From Dispatches

TOKYO — Japan and the EC Commission began two days of talks Monday on Japanese monitoring of vehicle exports to the European Community in 1993, officials said.

The talks, which were expected to review the state of the European car market this year and its prospects for 1993, are being held as part of an agreement aimed at limiting Japanese car sales to the Community.

A Ministry for International Trade and Industry official said after Monday's talks, "We didn't talk about a reduction in Japanese exports."

Earlier, an EC spokesman in Tokyo declined to comment on Japanese officials' expectations that the Commission would seek a cut in Ja-

pan's vehicle exports to the Community in 1993 because of weak demand in the 12-nation group. Japan will have exported an estimated 1.185 million cars to the Community in 1992.

The MITI official said Monday that Tokyo still considered the 1992 level to be a legitimate target. Last April, Japan agreed to cut its new car exports to the Community in 1992 by about 6 percent, from 1.26 million in 1991.

The EC spokesman also declined to comment on Japanese media reports that the Commission might suggest taking into account Japanese local production in Europe when setting the monitoring target for Japanese exports.

The deputy minister for International Trade

and Industry, Yuji Tanahashi, said Japan intended to monitor exports only.

The concept of "monitoring" has received conflicting interpretations since a broader EC-Japan car deal last July, intended to govern Japanese exports until the year 2000.

That accord spelled out procedures to operate for a seven-year transition period between the creation of the EC single market next January and the throwing open of the EC market to unrestricted competition from Japanese cars.

The published part of the agreement included a Japanese pledge to "monitor exports to the EC market as a whole in accordance with forecast level of exports in 1999 of 1.23 million based on the assumption of demand in the EC in 1999 of 15.1 million." (AFP, Reuters, AFP)

Itoman to Merge With a Trading House

Compiled by Our Staff From Dispatches

TOKYO — Itoman Corp., the scandal-hit trading company, said Monday it had signed an agreement to merge with Sumikin Bussan Kaisha Ltd., a medium-sized trading house affiliated with Sumitomo Metal Industries Ltd., on April 1.

Itoman also announced a parent net loss of 48.59 billion yen (\$391 million) for the six months to Sept. 30, after a 1.35 billion yen net profit a year earlier. The company had a parent current loss for the half of 8.54 billion yen, after a profit of 1.55 billion yen a year earlier. Sales fell to 265.16 billion yen, from 295.32 billion yen.

Despite a 11.3 percent increase in foodstuff revenue to 96 billion yen, textile revenue dropped 1.7 percent to 132 billion yen, while revenue from machinery and metals plunged 48.5 percent to 18 billion yen. Development, business and other revenue tumbled 51.2 percent to 20 billion yen. (Reuters, AFP)

For the full year, Itoman expects a parent net loss of 90 billion yen and a current loss of 17 billion yen, on sales of 540 billion yen.

A medium-sized trading firm based in Osaka, Itoman was at the heart of a scandal last year that centered on questionable art and property deals and highlighted adventurous bank lending practices linked to inflated land and stock prices.

Former Itoman executives were arrested on charges of misappropriation of funds and the case is in court.

The trading house blamed the net loss for the half on increased reserves needed to liquidate financial affiliates hit by bad loans and to write down losses on marketable securities.

Under the merger accord, five of Itoman's listed shares will be exchanged for one Sumikin share. Sumikin Bussan shares also vanished. (Reuters, AFP)

Deadline for Bond Corp.

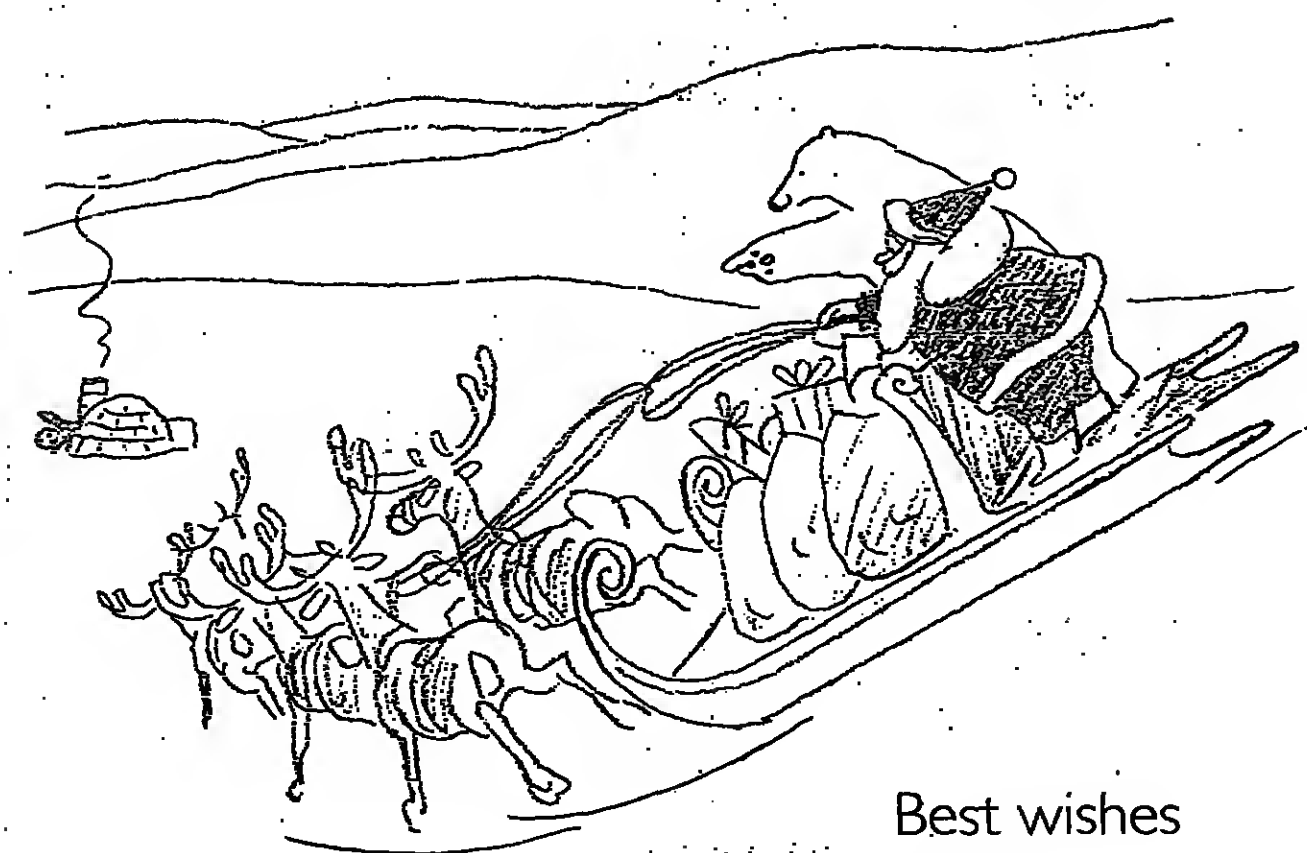
Compiled by Our Staff From Dispatches

PERTH, Australia — Administrators of Bond Corp. Holdings, the former flagship of the failed tycoon Alan Bond, said Monday they were "absolutely optimistic" the company could survive into the new year by meeting a crucial creditors' repayment due in four weeks.

The former multi-billion-dollar company will be put into liquidation unless two separate asset sales currently being negotiated are completed soon or alternative arrangements are struck.

The joint administrator, Ian Ferrier, told Bond Corp.'s annual meeting that the company was still some 12 million Australian dollars (\$8.26 million) short of the 37.5 million dollars needed for a first installment to preferential shareholders on Dec. 31.

"I am absolutely optimistic" that the deadline will be met, Mr. Ferrier told a gathering of shareholders and guests. The company also announced that it had changed its name to Southern Equities Corp. (AFP, Reuters)



Best wishes
to all of our
clients and friends for
a festive holiday season
and a rewarding
New Year.

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W H Y T H Y ?



RELIABILITY AND PRECISION...

It goes without saying that the basic concept of flying is safety... and precision is professionalism!
Turkish Airlines has made this philosophy a motto for all its operations in Turkey and abroad—above the clouds and on the ground—for 59 years... and is now enjoying a well-deserved reputation among all the air travellers around the world.
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TURKISH AIRLINES

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SPORTS BASKETBALL

NBA's Freshmen Are Already Giving the Seniors Fits

By Harvey Araton
New York Times Service

NEW YORK — On the night Christian Laettner came to play the New Jersey Nets, it was as if Bruce Springsteen had grown taller by a foot, lost some muscle definition in the upper body and slipped into the uniform of the Minnesota Timberwolves.

Dozens of teenagers wearing T-Wolves caps and in jerseys with Laettner's name stitched across the back crowded the edge of the Byrne Meadowlands Arena court.

The loudest ovation during a pregame ceremony honoring Olympic participants, including the Nets' coach, Chuck Daly, and their leading scorer, Drazen Petrovic, was for Laettner. Cheers and squeals emanated from a large area of the upper stands behind the benches of the Timberwolves and the Nets the moment he touched the ball.

"Wait'll he do something — they'll really go crazy," Daly said.

Larry Bird retired in August. Magic Johnson aborted his comeback before the start of the regular season. Their historic, long-dominant and ideally situated former teams — the Boston Celtics and the Los Angeles Lakers — are fading in the standings.

But the oft-repeated question of how the National Basketball Association would fare

when the legends and pillars of its 1980s ascent were gone was emphatically answered by those screaming New Jersey teen-agers.

A new rock or rap star bursts out of music-vidoland every fourth or fifth minute. The NBA, whose players are appealing more and more to the young and the restless, has likewise regenerated its own supply of stars almost in the time it once took Magic to lead the Lakers down court on the break.

"It's amazing, but with Magic and Bird stepping out together, and with all the publicity Magic had during the preseason, here we are a couple of weeks in and nobody's really thinking about them," said the New York Knicks' president, Dave Checketts. "You have all these new, young stars and this guy, Shaquille O'Neal, who is going to be the biggest star since Michael Jordan."

"Shaquille's unique. He comes across on camera. He and all the rest of them are the products of the machine, which is big and strong and running full blast."

The globally marketed machine to which Checketts referred has never had a white maine idol, like Laettner, to make suburban teenagers swoon while cash registers ring.

Now it does, as part of a rookie class that also includes — if one buys the hype — the Next Walt (O'Neal), the Next Bird (Tom Gugliotta), the Next Ewing (Alonzo Mourning) and Maybe

the Next Magic (Sacramento's Walt Williams). Coming soon: the Next To-Be-Announced (Michigan sophomore and possible 1993 draft entrant Chris Webber), whose jersey already costs \$20 more than the Pistons' Isiah Thomas' at the sporting-goods shop in the Palace at Auburn Hills, Mich.

Less than one month into the NBA's regular season, the 1992-93 rookie class is being hailed as the best since the 1984-85 season, when Hakeem Olajuwon, Charles Barkley, Sam Perkins, John Stockton, Kevin Willis and Alvin Robertson were impact newcomers, led into battle by the mere third overall pick of the draft, Michael Jordan.

"After 10 games, it sure looks like it is," said Marty Blake, who runs the NBA's college scouting service. "But talk to me in February or March. We'll know a lot more."

Right now, more than 20 of the 55 rookies who made rosters in the league are playing virtually every night, with many of their performances fluctuating wildly from fair to very good. More than two dozen are getting major minutes. Eight first-rounders have stepped into starting lineups. A few — Orlando's O'Neal, Laettner and Washington's Gugliotta — are already their team's marquee name.

If and when Jimmy Jackson, the fourth pick of the draft, out of Ohio State, signs with

Dallas, he should immediately be the Mavericks' best player.

In addition, Lloyd Daniels surfaced from a life of drugs and pain in the embrace of San Antonio's Jerry Tarkanian, the same philanthropic soul who recruited Daniels several years ago for Nevada-Las Vegas; Seton Hall's Anthony Avent returned from a year in Europe to start for Milwaukee; Clarence Weatherspoon inherited the Philadelphia 76ers' forward position vacated by Charles Barkley, and LaPhonso Ellis stepped in full time with the Denver Nuggets, one of several teams starting for talent.

The Knicks' Hubert Davis (20th pick), Phoenix's Oliver Miller (22d) and Golden State's Latrell Sprewell (24th) have already proved to be diamonds in the late first-round rough.

"It's a combination of the league catching up to expansion and some established teams getting old and needing immediate help," said the Knicks' Doc Rivers. "I don't know if anyone expected these guys to be this good and I don't know how important it was for this to happen. I do know David Stern sleeps better."

An improved diet may be out of the question if Stern, the NBA commissioner, visits Minneapolis, where McDonald's has already named a promotional hamburger for Laettner.

The rookie is reaping the promotional benefits of two NCAA championships at Duke and

being the ceremonial collegian added to last summer's Olympic team.

O'Neal never got close to a title in three years at Louisiana State, but everyone agrees that he will be rookie of the year. Many believe he is already the best center in the league. Some suggest he will be the best of all time.

"Wait'll he learn how to play," said Blake.

A couple of days after Gugliotta torched Utah's Karl Malone for 39 points and 15 rebounds, and one day before the Knicks shut him out and forced him into 7 turnovers, the Knicks' coach, Pat Riley, anointed the Bulls' new star "the next Larry Bird."

Mourning's expectations for himself were so high that during his first game with Charlotte, after he had missed the entire preseason, he had to be restrained by the elite veteran, second-year-man Larry Johnson, from chasing officials after being called for fouls.

"These guys make so much money coming into the league now, they feel relaxed and they go out hungry to prove they're worth it," said Rivers. "They don't act like they're just happy to be here. They act, and play, like they're supposed to be dominant."

Riley said: "You find out in a hurry with these guys. Either they can play or they can't."

The standard for superstardom in the contemporary NBA was established by Magic

Jordan Only Sprained Arch in His Left Foot

The Associated Press

CHICAGO — Michael Jordan was told not to practice Monday to rest his sprained left foot, but is expected to be ready for Wednesday's game against Boston.

Jordan sprained the arch in his foot in Saturday's game against New York.

"Michael's X-rays were negative," said the Bulls' doctor John Hefferon. "Everything looks to be all soft tissue, which is good. Jordan said that 'I went up for a rebound and felt a pop on the way up. I was afraid it was more serious. I thought it might be my Achilles' at first."

Johnson, Bird and Jordan over a period of years in which they were not only expected to be individually great but to carry their teams near or to the top. In an expanded league whose visibility has grown exponentially, those standards may no longer exist.

The Next Bird may not have to be as good as the original, the way movie sequels to blockbusters don't measure up. They still sell.

"It's easier for them to be mega-stars because of what three guys — Magic, Michael and Larry — did," said Rivers. "All these guys coming should send them a few thousand every year."

The Colleges: Seeking No. 1 The Powers-That-May-Be in 1992-93

With the 1992-93 college basketball season beginning Tuesday, John Feinstein, author of the best-selling book "A Season on the Brink" and four other sports books, wrote this assessment of the powers-that-may-be for The Washington Post.

By John Feinstein

WASHINGTON — Last April, on the eve of the championship game of the National Collegiate Athletic Association's basketball tournament, the five Michigan freshmen known as the Fab Five were asked if they thought they would win four straight national titles. Their answers were "Yes," "Yes," "Yes," "Yes," "Yes."

It turned out that they scored zero on that question. They lost to Duke, 71-51, the following night, blown out of the Metrodome during the last seven minutes by the older and wiser Blue Devils.

Now the Fab Five are back as sophomores; and, one supposes, the best question to be asked is, can they win three national championships? No. How about two? No. One? Perhaps, but don't bet either the ranch or your cable television rights.

The reason they won't win two or three titles is simple: If they do win this year, Chris Webber, the center, is bound for the National Basketball Association and the point guard Jalen Rose will probably fight behind him.

The Wolverines are certainly talented and, after last season, they are experienced. They also have a group of seniors who, after winning it a bit about reduced playing time last season, have become solid backups. For all the talk last spring about The Five, the fact is they would not have beaten Oklahoma State in the round of 16 without the backup center Eric Riley and they probably would not have gotten past Cincinnati in the semifinals without the shooting of James Woodall.

Put all of that into a computer and it will tell you that Michigan

walks off with the trophy on April 5 in New Orleans. But the nice thing about college basketball is that it is not played on a computer. Heavy favorites such as Houston (1983), Georgetown (1985) and Nevada-Las Vegas (1991) can attest to that.

As this season begins, there are 8, perhaps 10, teams with a legitimate chance to win the title and a couple of dark horses lurking. This is a switch from the last two seasons, when the previous year's champion (UNLV and Duke) was considered a big favorite to repeat. The Blue Devils did, becoming the first back-to-back champions since UCLA's seven-year run ended in 1973.

And so they begin this season with the three-peat question following them. Can they? Not likely. Is it hopeless? Absolutely not, with Bobby Hurley and Thomas Hill back. Duke, even without Christian Laettner and his alter ego, Brian Davis, is in that group that can win the title.

The Blue Devils' perimeter game is the best in the country, but how quickly 6-foot, 11-inch (2.10-meter) Cherokee Parks adapts to playing 35 minutes a game and how much the coach, Mike Krzyzewski, can squeeze out of his bench will be the questions the Blue Devils have to answer come March, when they shoot not only for a third straight title but a sixth straight Final Four, as the semifinals and final of the NCAA tournament are known.

The two deepest, most experienced teams in the country are Kansas and Indiana, both of which, like Michigan, come into the season believing they have something to prove. The Jayhawks were probably the second-best team in the country last season and they are still trying to figure out how the grizzled old bear, Don Haskins, and his Texas-El Paso team four-cornered team out of the tournament in the second round. If Hurley and Hill aren't the best pair of

guards in the country, then Adonis Jordan and Rex Walters are.

Kansas also adds Darrin Hancock, a junior college transfer. Hancock is so good that the Jayhawks' coach, Roy Williams, who learned at the feet of Dean Smith never to think of a newcomer as a starter, was talking about him as a starter this summer. The Jayhawks are deep, superbly coached and angry.

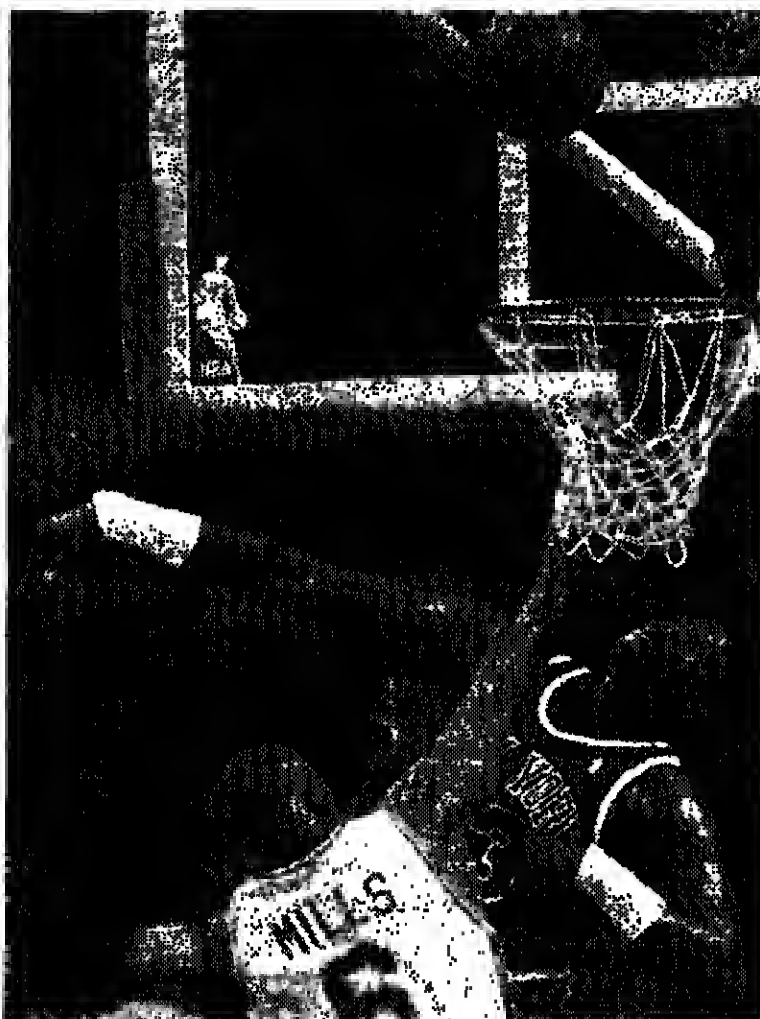
Indiana stays angry because of the genius-wildman who coaches them, Bob Knight. Knight was stung by the Final Four loss to Krzyzewski, his one-time protégé, and, like Williams, has most of his players back from a good team. Damon Bailey is a junior and one of a plethora of talented guards, but the heart of the Hoosiers is the starting forward duo of Calbert Cheaney, a senior, and the 6-9 sophomore Alan Henderson.

Is that the Final Four then? Michigan, Duke, Kansas and Indiana?

Almost assuredly not. For one thing, Seton Hall is as talented and deep as anyone, and teams like North Carolina, Florida State, Kentucky and Memphis State are all good enough to make it to New Orleans. Arizona, a disappointment the last four years, Iowa, Georgia Tech, Louisville and even Georgetown can be factors if things fall into place at the right time.

Seton Hall lost only one starter off a team that kept the Big East from being shut out of the final 16. If 7-2 Luther Wright continues to progress and with the threesome of Bryan Caver, Terry Dehere and Jerry Walker, the Pirates can play with anyone. P.J. Carlesimo's teams always play good defense and might be the best 3-point shooting team in the country.

North Carolina lost just one starter, Hubert Davis, off a final 16 team and the heralded freshmen of 1991 are now a year wiser — and



Mighty, Falling

Terry Mills knocked the blocks out of Patrick Ewing as the Detroit Pistons brought the New York Knicks to earth in Auburn Hills, Michigan. New York was held to 34 first-half points in a 92-76 victory that ended the Pistons' seven-game losing streak. It was the Knicks' first loss in five games, but their fifth in their last six road games, and followed an impressive 112-75 beating of the world champion Chicago Bulls in New York.

Photo: Associated Press

Parisien, Narrowly, Wins World Cup Race

The Associated Press

PARK CITY, Utah — Living up to her No. 1 international ranking, Julie Parisien of the United States edged Sweden's Pernilla Wiberg by .03 seconds to win the opening slalom of the women's World Cup ski season.

The 21-year-old Parisien completed two runs down Payday's 486 meters (1,600-foot), 50-gate course in 1 minute, 18.63 seconds, in earning the third World Cup victory of her two-year career. Parisien duplicated a victory over Wiberg at Sundsvall, Sweden, last March that earned her the No. 1 slalom ranking in the world.

On Sunday, Wiberg posted a faster intermediate time. But she became entangled in a couple of gates near the end of the course, throwing her off balance just enough to cost her the victory.

Third was New Zealand's Annelise Coberger, the Olympic slalom silver medalist who was fifth after the morning run. She was timed in 1:19.59.

Parisien was second, .23 seconds behind Wiberg, in the morning run, after which she said she had lost time by sitting back on her skis through the speed-robbing flat middle section of the course. She solved that problem in the afternoon, posting a time that was almost a second faster than Coberger, the leader until then.

"The second run was a little nimmer, and I think that helped me," Parisien said while being mobbed in the finish area by a crowd that included her mother. "I tried to stay on the balls of my feet through the flats and it seemed to help on the second run."

Parisien's victory overshadowed a brilliant second-run performance by Switzerland's Vreni Schneider, winner of 40 World Cup events, had several problems during her morning run and was timed in only 40.59 seconds, 25th place. But she was .07 faster than Parisien in the afternoon and vaulted into fourth overall in 1:19.91.

Third for fifth in 1:19.93 were Sweden's Kristina Andersson and Austria's Kathrin Buehler. Three-time defending World Cup champion Petra Kronberger, apparently poised to seriously challenge for victory after placing fifth in the morning, instead faded to seventh, 1.38 seconds behind Parisien.

role players. Like Connecticut, the Hoyas should be a year from being very good again.

The league will recruit better because there's playing time available almost everywhere. The Big East will be back, but make no mistake, for three years it has been long gone.

And, finally, if you are wondering if next Saturday's Kansas-Indiana and Michigan-Duke games are a Final Four preview, the answer should be readily apparent. Yes. No. Maybe.

Put up the nets and let's play.

DENNIS THE MENACE



JUMBLE THAT SCRAMBLED WORD GAME

Unscramble these four American one-letter words to form four ordinary words.

AUZER
NOAKE
YENKOD
WERDOP

How many words can you form from the letters in the words above? (Answers are on page 21.)

PEANUTS



BLONDIE



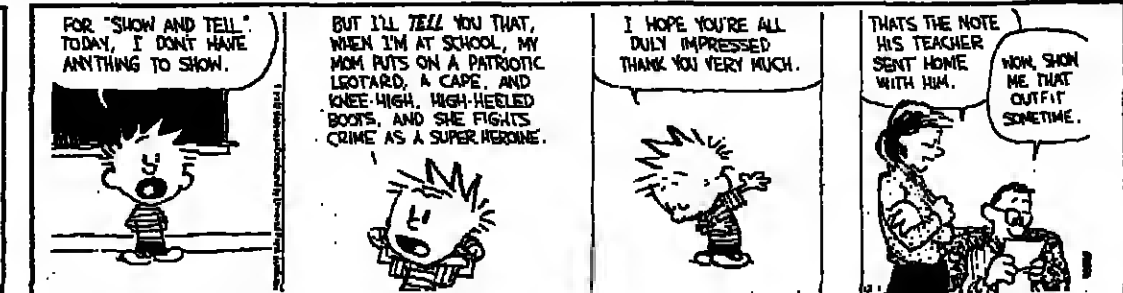
BEEBLE BAILEY



DOONESBURY



CALVIN AND HOBBES



WIZARD of ID



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ART BUCHWALD

Partying, Inside and Out

WASHINGTON — Washington is awash with pre-inaugural parties.



Buchwald

Hosts and hostesses are falling all over each other trying to get the Clintons or Verdon Jordan to come and break bread with them.

It's a tough call because the media stars invited to the parties are invited to it is absolutely essential for them to share finger bowls with the power elite.

Antique Dealer to Sell Letter From Malcolm X

CHICAGO — As interest in Malcolm X has reached new heights with the release of Spike Lee's film about him, an antique dealer is putting up for sale a letter written by the black activist more than 35 years ago.

I was in Georgetown the night that Pat Hantman gave her husband for the Clintons and, from where I stood shivering, it looked as if it was a wonderful party.

THE LIFE AND LEGEND OF LEADBELLY

Reviewed by Terry Teachout

ON March 20, 1935, John A. Lomax, the United States' best-known collector of folk songs, returned to Harvard, his alma mater, to present a pair of concert programs sponsored by the Poetry Society of Cambridge.

and gives you an opportunity to feel superior to those going in.

The only real danger for media stars is if they are seated next to the wife of a government official who remembers what they wrote or said about her husband.

How does a hostess choose her media guests for a power party? She starts with "Meet the Press" and "Face the Nation."

I couldn't lie. "Because I hate Dover sole."

several of his songs, among them "Goodnight, Irene" and "Midnight Special," became popular hits, albeit in pretentious cover versions by white singers.

By Robert Byrne

his chances against a less experienced opponent by opening the queenside.

Chess

should have played 31 Qf3 Rf3 32 Qd5 Bc5 33 Ne5, although he would have been behind in material following 33...Rg3.

The World According to Michael Palin

By Susan Keselenko Coll

LONDON — England is engaged in an unlikely love affair. Not to suggest that the scandal-loving British no longer care about Diana's true story, nor to downplay the Christmas sales potential of Michael Caine's autobiography, but it is a globe-trotting Englishman who currently tops the Sunday Times best-seller list, and it is with this man's intestinal well-being that the TV-viewing public has become intimately involved.

Palin is flattered but besieged by the success: The phenomenon of a Palin travel program, as he puts it, is inescapable. Even if one has somehow managed to miss the first six episodes or has slipped through the high street displays of Palin mugging from Santa's lap (from Santa Claus Village in Finland), his endearing smile is plastered along subway station escalators and bookstore windows around town.

Palin's charm adds a new dimension to the otherwise dreary genre of travel documentary, and he is able to pull off the occasional laugh at his hosts' expense just barely treading the right side of the line between humor and cultural arrogance.

Palin attributes the program's success in part to viewer empathy: One cannot help but become anxious when the protagonist tours the deserted villages around Chernobyl carrying a radiation meter, worried when he gets lost and stuck making the perilous journey from Sudan to Ethiopia, and relieved when he finds off the unwanted attention of a large, anorous Russian barmaid who befriends him, on camera, in a swimming pool.

Another plus on the entertainment meter is the lack of a didactic agenda; the program's freestyle blend of the serious with the inane — from an interview with a Sudanese politician to a visit with Kenyan schoolchildren to drinks in a bar with a bunch of rowdy Norwegians — gives



TV viewers are on the road with Michael Palin, from pole to pole.

TV viewers are on the road with Michael Palin, from pole to pole.

provides a somewhat campy edge that perhaps will translate well when "Pole to Pole" airs abroad.

Palin describes himself as a man who likes as little change as possible in his personal life — he has lived in the same North London house with his wife, Helen, and three children for more than two decades — but says his family deals "distressingly well" with his long and unavoidable absences.

Between the book signings and the promotional trips abroad, Palin is attempting — against all odds — to remain sedentary and anonymous for a time. While he is obviously delighted by the success, Palin jokes that his celebrity status gets in the way of his enjoyment of a good bookshop.

More from Maxwell: The contents of Robert Maxwell's country house will go under the hammer on Jan. 14 to help pay off the late tycoon's millions of dollars in debt.

More from Maxwell: The contents of Robert Maxwell's country house will go under the hammer on Jan. 14 to help pay off the late tycoon's millions of dollars in debt.

PEOPLE

Where the Money Is: List of Britain's Richest

The old order changes: Paul Raymond, who owns property in London's Soho nightclub area and publishes sex magazines, has deposed the Duke of Westminster as Britain's richest man.

On the day her father, Tony Richardson, died, Natasha Richardson found a surprise in the back of a closet in his Los Angeles home: a manuscript of his memoirs.

Madonna, ever the Material Girl, has bought a \$5 million mansion in Hollywood Hills. She had house hunting in Hollywood for a few years and settled on a nine-bedroom home built in the '20s.

More from Maxwell: The contents of Robert Maxwell's country house will go under the hammer on Jan. 14 to help pay off the late tycoon's millions of dollars in debt.

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WEATHER

Table with weather forecasts for Europe, North America, Asia, Middle East, and Latin America. Includes high/low temperatures and precipitation chances.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for a puzzle from Nov. 30.

BOOKS

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Reviewed by Terry Teachout

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